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1. Report of the Auditor General for the year ended 31st March, 1912 Volume I, Parts A to J. Volume II, Parts K to U. Volume III, Parts V to Y. Presented by Hon. Mr. White, 14th January, 1913.

Printed for distribution and sessional papers.

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2. The Public Accounts of Canada, for the fiscal year ended 31st March, 1912. Presented by Hon. Mr. White, 26th November, 1912.

Printed for distribution and sessional papers.

3. Estimates of sums required for the service of the Dominion for the year ending 31st March, 1914. Presented by Hon. Mr. White, 3rd February, 1913.

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4. Supplementary Estimates of sums required for the service of the Dominion for the year ending on the 31st March, 1913. Presented by Hon. Mr. White, 10th March, 1913.

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6. List of Shareholders in the Chartered Banks of the Dominion of Canada as on December 31, 1911. Presented by Hon. Mr. White, 26th November, 1912.

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7. Report on dividends remaining unpaid, unclaimed balances and unpaid drafts and bills of exchange in Chartered Banks of the Dominion of Canada, for five years and upwards prior to 31st December, 1911. Presented by Hon. Mr. White, 26th November, 1912.

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8. Report of the Superintendent of Insurance for year ended 1912. Presented by Hon. Mr. White.. .. ..*Printed for distribution nd sessional papers.*

9. Abstract of Statements of Insurance Companies in Canada for the year ended 1912. Presented by Hon. Mr. White.. .. .. ..*Printed for distribution and sessional papers.*

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10. Report of the Department of Trade and Commerce for the fiscal year ended 31st March, 1912. (Part I.—Canadian Trade). Presented by Hon. Mr. Foster, 30th January, 1913.
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10*a*. Report of the Department of Trade and Commerce, for the year ended 31st March, 1912. (Part II.—Canadian Trade with (1) France, (2) Germany, (3) United Kingdom, and (4) United States). Presented by Hon. Mr. Foster, 12th December, 1912.
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10*b*. Report of the Department of Trade and Commerce for the fiscal year ended 31st March, 1912. (Part III.—Canadian Trade with Foreign Countries, except France, Germany, the United Kingdom and United States). Presented by Hon. Mr. Foster, 15th January, 1913.. .. ..*Printed for distribution and sessional papers.*

10*c*. Report of the Department of Trade and Commerce, for the fiscal year ended 31st March, 1912. (Part IV.—Miscellaneous Information). Presented by Hon. Mr. Reid, 17th February, 1913.. ... .*Printed for distribution and sessional papers.*

10*d*. Report of the Board of Grain Commisioners for Canada. Presented by Hon. Mr. Foster, 3rd February, 1913.. .. ..*Printed for distribution and sessional papers.*

10*e*. Report of the Department of Trade and Commerce for the fiscal year ended 31st March 1912. (Part VI.—Subsidized Steamship Services). Presented, 1913.
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10*f*. Report of Trade and Commerce for fiscal year ended 31st March, 1912. (Part VII.—Trade of Foreign Countries, Treaties and Conventions). Presented, 1913.
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13. Report of the Department of Inland Revenue for year ended 31st March, 1912. (Part II.—Inspection of Weights and Measures, Gas and Electricity). Presented by Hon. Mr. Nantel, 25th November, 1912.. .. ..*Printed for distribution and sessional papers.*

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16. Report of the Director and Officers of the Experimental Farms for the year ending 31st March, 1912. Presented by Hon. Mr. Burrell, 14th January, 1913.
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17. Criminal Statistics for the year ended 30th September, 1911, (Appendix of the Report of the Minister of Agriculture, for the year 1911). Presented by Hon. Mr. Borden, 2nd June, 1913... .. ..*Printed for distribution and sessional papers.*

18. Return of the Twelfth General Election for the House of Commons of Canada, held on the 14th and 21st of September, 1911. Presented by Hon. The Speaker, 27th November, 1912.. .. ..*Printed for distribution and sessional papers.*

18*a*. Return of By-Elections (Twelfth Parliament) for the House of Commons of Canada, held during the year 1912. Presented by Hon. The Speaker, 10th March, 1913.
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22. Forty-fifth Annual Report of the Department of Marine and Fisheries, 1912,—Fisheries. Presented by Hon. Mr. Hazen, 5th December, 1912.
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30. The Civil Service List of Canada, 1912. Presented by Hon. Mr. Coderre, 3rd December, 1912.. .. ..*Printed for distribution and sessional papers.*

31. Fourth Annual Report of the Civil Service Commission of Canada for the period from 1st September, 1911, to 31st August, 1912. Presented by Hon. Mr. Coderre, 24th January, 1913.. .. ..*Printed for distribution and sessional papers.*

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35. Report of the Militia Council for the fiscal year ending 31st March, 1913. Presented by Hon. Mr. Hughes, 14th January, 1913. ..*Printed for distribution and sessional papers.*

36. Report of the Department of Labour for the fiscal year ending 31st March, 1912. Presented by Hon. Mr. Crothers, 28th November, 1912.
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36a. Fifth Report of the Registrar of Boards of Conciliation and Investigation of the proceedings under "The Industrial Disputes Investigation Act, 1907," for the fiscal year ending 31st March, 1912. Presented by Hon. Mr. Crothers, 28th November, 1912.
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39. "Miscellaneous Unforeseen Expenses," from the 1st April, to the 21st November, 1912, in accordance with the Appropriation Act of 1912. Presented by Hon. Mr. White, 25th November, 1912... .. ..*Not printed*

40. Statement of Treasury Board over-rulings, under Section 44, Consolidated Revenue and Audit Act. Presented by Hon. Mr. White, 26th November, 1912... .. ..*Not printed.*

41. Statement in pursuance of Section 17 of the Civil Service Insurance Act, for the year ending 31st March, 1912. Presented by Hon. Mr. White, 26th November, 1912.
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42. Statement of Receipts and Expenditures of the Ottawa Improvement Commission to 31st March, 1912. Presented by Hon. Mr. White, 26th November, 1912.....*Not printed.*

43. Statement of Governor General's Warrants issued since the last Session of Parliament on account of 1912-13. Presented by Hon. Mr. White, 26th November, 1912.
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44. Statement of Superannuation and Retiring Allowances in the Civil Service during the year ending 31st December, 1912, showing name, rank, salary, service, allowance and cause of retirement of each person superannuated or retired, also whether vacancy is filled by promotion or by appointment, and salary of any new appointee. Presented by Hon. Mr. White, 26th November, 1912.. .. ..*Not printed*

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45*a*. Return to lands sold by the Canadian Pacific Railway Company during the year which ended on the 1st October, 1912. Presented by Hon. Mr. Roche, 14th January, 1913.. .. ..*Not printed.*

45*b*. Return to an Address to His Royal Highness the Governor General of the 27th January, 1913, for a copy of all applications made by the Canadian Pacific Railway Company for authorization to make new issue of stock, addressed to the Governor in Council, and of all correspondence with regard to the same. Presented 16th April, 1913, by Sir Wilfrid Laurier.. .. ..*Not printed*

46. Return to an Order of the House of the 18th March, 1912, for a copy of all reports made by the Inspector of Agents for placing Immigrants, both domestic servants and farm labourers, in Ontario and Quebec, during the years 1910 and 1911. Presented 27th November, 1912, by Mr. Sutherland.. .. ..*Not printed.*

47. Return to an Order of the House of the 11th March, 1912, for a copy of all letters, telegrams and other papers in connection with complaints of whatever nature against Commission Agents for placing farm labourers in Ontario, also officials connected with any agency in Ontario, during the year 1910 and 1911. Presented 27th November, 1912 by Mr. Sutherland.. .. ..*Not printed*

48. Copy of Order in Council No. P. C. 1275, dated 13th May, 1912, "Award of compensation to men belonging to the Royal Canadian Navy, who may be permanently disabled though injuries or illness contracted during drill, training or on duty." Presented by Hon. Mr. Hazen, 27th November, 1912.. .. ..*Not printed.*

48*a*. Copies of plans included in the tender of Messrs. Cammel, Laird & Company, dated 29th April, 1911, for the construction of ships for the Canadian Naval Service. Presented by Hon. Mr. Hazen, 18th December, 1912.. .. ..*Not printed.*

48*b*. An Act respecting the Naval Service of Canada." (Copy of Order in Council, No. P. C. 126 dated 20th January, 1913, "Amendment to the Regulations for the Entry of Naval Cadets)." Presented by Hon. Mr. Hazen, 4th February, 1913.. ..*Not printed.*

49. Regulations under "The Destructive Insect and Pest Act." Presented by Hon. Mr. Burrell, 28th November, 1912.. .. ..*Not printed.*

50. Statement of the affairs of the Royal Society of Canada, for the year ended 30th April, 1912. Presented by Hon. Mr. White, 29th November, 1912.. .. ..*Not printed.*

51. Ordinances of the Yukon Territory passed by the Yukon Council in the year 1912. Presented by Hon. Mr. Coderre, 3rd December, 1913.. .. ..*Not printed*

52. Return of Orders in Council which have been published in the *Canada Gazette*, between 1st August, 1911, and 30th September, 1912, in accordance with the provisions of Section 77 of the Dominion Lands Act, Chapter 20 of the Statutes of Canada, 1908. Presented by Hon. Mr. Roche, 5th December, 1912.. .. ..*Not printed.*

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52*b*. Return of Orders in Council which have been passed and published in the *Canada Gazette* and in the British Columbia *Gazette*, between 1st August, 1911, and 30th September, 1912, in accordance with provisions of Subsection (*d*) of Section 38 of the regulations for the survey, administration, disposal and management of Dominion Lands within the 40-mile Railway Belt in the Province of British Columbia. Presented by Hon. Mr. Roche, 5th December, 1912.. .. ..*Not printed*

52*c*. Return to an Order of the House of the 24th February, 1913, for a copy of all regulations issued by the Minister of the Interior, relating to the disposition of Dominion lands between 8th April, 1905, and 12th October, 1911. Presented by Hon. Mr. Roche, 25th March, 1913.. .. ..*Not printed.*

53. A detailed statement of all bonds or securities registered in the Department of the Secretary of State of Canada, since last return (28th November, 1911) submitted to the Parliament of Canada under Section 32 of Chapter 19, of the Revised Statutes of Canada, 1906. Presented by Hon. Mr. Coderre, 4th December, 1912.. .. ..*Not printed.*

54. Annual Return respecting Trade Unions under Chapter 125, R.S.C., 1906. Presented by Hon. Mr. Coderre, 4th December, 1912... .. ..*Not printed.*

55. Deliberation of the Canada-West Indies Conference, and Agreement between Canada and certain of the West India Colonies. Presented by Hon. Mr. Foster, 4th December, 1912.. .. ..*Printed for distribution and sessional papers*

56. Orders in Council passed between the 1st August, 1911, and 30th September, 1912, in accordance with the provisions of the Rocky Mountains Park Act, Chapter 60, Revised Statutes of Canada, 1906. Presented by Hon. Mr. Rogers, 4th December, 1912.
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56*a*. Return of Orders in Council passed between the 1st August, 1911, and 30th September, 1912, in accordance with the provisions of the Forest Reserves and Park Act, Section 19, of Chapter 10, 1-2 George V. Presented by Hon. Mr. Roche, 5th December, 1912.
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57*a*. Report on the organization of the Public Service of Canada, by Sir George Murray. Presented by Hon. Mr. Borden, 18th December, 1912.
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58. Report of the proceedings for the preceding year of the Commissioners of Internal Economy of the House of Commons, pursuant to Rule 9. Presented by Hon. The Speaker, 9th December, 1912.. .. ..*Not printed.*

59. Schedules of Trade Transactions between the West Indies and Canada, the United States and the United Kingdom, compiled from the West Indian blue books and statistics. Presented by Hon. Mr. Foster, 12th December, 1912.
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59*a*. Trade Statistics of Imports and Exports in possession of the Government, *re* British West Indies. (*Senate*).. .. ..*Not printed.*

60. Return showing correspondence concerning the calling for tenders for the Ships of War of Canada, together with copies of tenders. Presented by Hon. Mr. Hazen, 12th December, 1912.. .. ..*Not printed.*

61. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, telegrams, reports and documents relating to the dismissal of John R McDonald, Heatherton, Antigonish County, as Indian agent for the district including the Counties of Antigonish and Guysborough, and the appointment of his successor. Presented 4th January, 1913.—*Mr. Chisholm* (*Antigonish*).. .. ..*Not printed.*

61*a*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dr. C. P. Bissett, Physician to the Indians at Salmon River, Richmond County, N.S. Presented 14th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*b*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Michael Murphy, postmaster at Point Micheau, Richmond County, N.S. Presented 4th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*c*. Return to an Order of the House of the 9th December, 1912, for copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David A. McLeod, Postmaster at Cleveland, Richmond County, N.S. Presented 14th January.—*Mr. Kyte*.. .. ..*Not printed.*

61*d*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, letters, complaints, telegrams, reports, and other documents in the possession of the Post Office Department relating to the dismissal of John Milward, Postmaster at Stormont, Guysborough County, N.S. Presented 14th January, 1913.—*Mr. Sinclair.*
Not printed.

61*e*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents, relating to the dismissal of Kenneth F. McAskill, Postmaster at Loch Lomond, Richmond County, N.S. Presented 14th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*f*. Return to an Address to His Royal Highness the Governor General of the 25th March, 1912, for a copy of all letters, telegrams, memorandums and Orders in Council, relating to the dismissal of Mr. W. W. Hayden, late wharfinger of the government wharf at Digby, Nova Scotia. Presented 14th January, 1913.—*Mr. MacLean* (*Halifax*).
Not printed.

61*g*. Return to an Order of the House of the 11th December, 1912, for a copy of all complaints and charges made against W. B. Langley, assistant at Lobster Hatchery, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of a successor. Presented 14th January, 1913.—*Mr Sinclair*.. .. ..*Not printed.*

61*h*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Fred. E. Cox, engineer lobster hatchery at Isaac's Harbour, Guysborough County, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same. Presented 14th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*i*. Return to an Order of the House of the 11th December, 1912, for a copy of all complaints and charges made against Simon Hodgson, engineer lobster hatchery at Isaac's Harbour, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of a successor. Presented 14th January 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61j. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Henry Henlow, chief engineer at lobster hatchery at Canso, Guysborough County, N.S. Presented 14th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*k*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of H. C. V. LeVatte, harbour master at Louisburg, Cape Breton South, N.S., and of evidence taken and report of investigations held by H. P. Duchemin, in regard to the same. Presented 14th January, 1913.—*Mr. Carroll*.. .. ..*Not printed.*

61*l*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John Cummings, assistant at the lobster hatchery at Isaac's Harbour, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 14th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*m*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of W. G. Matthews, coxswain, lifeboat crew at Canso, Guysborough County, N.S., and all evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 14th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*n*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relating to the dismissal of Joseph Shean, harbour master at North Sydney, N.S., in the riding of North Cape Breton and Victoria. Presented 14th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61*o*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents, relating to the dismissal of George H. Sampson, keeper of the storm signal at Lower L'Ardoise, Richmond County, N.S. Presented 14th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*p*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Alexis Vigneau, captain of the patrol boat at Arichat, Richmond County, N.S. Presented 14th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*q*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, Orders in Council and all other papers or documents in any way relating to the dismissal of Emeri Thivierge, from the position of fisheries inspector for the Counties of Prescott and Russell. Presented 14th January, 1913.—*Mr. Murphy*.. .. ..*Not printed.*

61*r*. Return to an Order of the House of the 9th December, 1912, for a return showing all the public officers of the Inland Revenue Department in the County of St. Jean Iberville, removed by the present Government since 1st May, 1912, together with the names and duties of such persons, the reasons of their dismissal, the nature of the

CONTENTS OF VOLUME 27—*Continued.*

complaints against them, the names of the persons who brought these complaints; also a copy of all correspondence relating thereto, and of the reports of inquiries in the cases where such have been held. Presented 14th January, 1913.—*Mr. Demers.*

Not printed.

61*s*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, complaints, petitions, memoranda, notes of evidence, reports of investigations and other documents in the possession of the Department of Inland Revenue regarding the dismissal of J. Fabien Bugeaud, Bonaventure, Quebec, assistant inspector of weights and measures in the Quebec district, and the appointment of his successor or successors, with the names, residence, salaries and duties; also of all documents relating to A. B. Caldwell, New Carlisle, Quebec, joint assistant inspector with J. Fabien Bugeaud, and the duties assigned to him, together with a copy of all recommendations for said new appointment. Presented 14th January, 1913.—*Mr. Marcil (Bonaventure)*.. .. .. .

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way, and for a statement in detail of the expenses in connection with the investigation of the charges against him. Presented 16th January, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61*aa*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents and reports relating to the dismissal of Charles Landry, of Pomket, Antigonish county, Nova Scotia, a sectionman on the Intercolonial railway, and for a statement in detail of the expenses connected with the investigation of the charges against him. Presented 16th January, 1913.—*Mr. Chisholm (Antiginish)*.. .. ..*Not printed.*

61*bb*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, documents, reports, correspondence, &c., relating to the dismissal of Patrick Decoste, an employee on the ferry steamer *Scotia* between Mulgrave and Point Tupper on the Intercolonial railway. Presented 16th January, 1913.. .. ..*Not printed.*

61*cc*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Harry E. McDonald, assistant engineer at St. Peters Canal, Richmond County, N.S Presented 13th January, 1913.—*Mr. Kyte.*

61*dd*. Return to an order of the House of the 9th December, 1912, for a copy of all letters, papers, documents, telegrams, and charges relating to a complaint against Neil Ross sectionman on the Intercolonial railway at West River, County of Pictou, and of the evidence taken at the investigation, of the report of the commissioner thereon, and of all letters, papers or other documents relating to the appointment of his successor. Presented 16th January, 1913.—*Mr. Macdonald*.. .. ..*Not printed.*

61*ee*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents and reports relating to the dismissal of James Armstrong, of Heatherton, Antigonish County, N.S., a sectionman on the Intercolonial railway, and for a statement in detail of the expenses connected with the investigation of the charges against him. Presented 16th January, 1913.—*Mr. Chisholm (Antigonish)*. *Not printed.*

61*ff*. Return to an Order of the House of the 4th December, 1912, for a copy of all letters, telegrams and other documents, relating to the dismissal of Thomas J. Gray, as car inspector on the Intercolonial railway at Westville, County of Pictou. Presented 16th January, 1913.—*Mr. Macdonald*.. .. ..*Not printed.*

61*gg*. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, telegrams and reports relating to the dismissal of Colin Macdonald, of James River Station, County of Antigonish, as Intercolonial sectionman, and the appointment of his successor. Presented 16th January, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61*hh*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of A. T. Gannon, car repairer and inspector Intercolonial railway at North Sydney, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 16th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*ii*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents, and reports relating to the dismissal of Huber Myatte, Tracadie, Antigonish County, Nova Scotia, a sectionman on the Intercolonial railway and for a statement in detail of the expenses connected with the investigation of the charges against him. Presented 16th January, 1913.—*Mr. Chisholm* (*Antigonish*).
Not printed.

61*jj*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents, and reports relating to the dismissal of John McDonnell, Afton Station, Antigonish County, Nova Scotia, a sectionman on the Intercolonial railway, and for a statement in detail of the expenses connected with the investigation of the charges against him. Presented 17th January, 1913.—*Mr. Chisholm* (*Antigonish*).. .. ..*Not printed.*

61*kk*. Return to an Order of the House of the 9th December, 1911, for a copy of all letters, correspondence, documents and reports relating to the dismissal of William Landry, of Pomket, Antigonish County, Nova Scotia, a section foreman of the Intercolonial railway, and for a statement in detail of the expenses connected with the investigation of the charges againt him. Presented 17th January, 1913.—*Mr. Chisholm* (*Antigonish*).. .. ..*Not printed.*

61*ll*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, telegrams and other documents relative to the dismissal of D. J. McDougall, section foreman, Intercolonial railway, Grand Narrows, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. McKenzie.*
Not printed.

61*mm*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dan. A. Coffey, lockman at St. Peter's canal, Richmond County, N.S., and of the evidence taken and of the reports of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Also, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of W. A. McNeil, lockman at St. Peter's canal, Richmond County, N.S., and of the evidence taken and of the report of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 17th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*nn*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John P. Meagher, foreman deckhand on steamship *Scotia*, Mulgrave, Guysborough County, N.S., and of all evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. Sinclair*.. .. .. ..*Not printed.*

61*oo*. Return to an Order of the House of the 4th December, 1912, for a copy of all letters, telegrams, evidence taken, reports, &c., and of all correspondence between the Postmaster General and officers of his department, and James Gibson, ex-postmaster of Alameda, Sask., in connection with the instructions sent him to hand the office over to E. Cronk. Presented 17th January, 1913.—*Mr. Turriff*.. .. ..*Not printed.*

61*pp*. Return to an Order of the House of the 11th December, 1912, for a copy of all papers, documents and correspondence relating to the dismissal of Captain C. E. Miller from the 75th Regiment. Presented 17th January, 1913.—*Mr. Maclean* (*Halifax*).
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61*qq*. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, letters and telegrams relating to the dismissal of J. N. N. Poirier, collector of excise at Victoriaville, Quebec, and also of the inquiry made by N. Garceau, by the Minister of Inland Revenue, and especially of two affidavits given by Ludger Frechette and Joseph Faucher. Presented 17th January, 1913.—*Mr. Brouillard.* *Not printed.*

61*rr*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Abraham Astephen, of North Sydney, N.S., interpreter Immigration Department at North Sydney, N.S., in the riding of North Cape Breton and Victoria. Presented 17th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61*ss*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, Orders in Council, and all other papers or documents in any way relating to the dismissal of Robert Dow from the Immigration Branch of the Department of the Interior at Ottawa. Presented 17th January, 1913. —*Mr. Murphy*.. .. ..*Not printed.*

61*tt*. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, correspondence, &c., relating to the dismissal of John Ware of the Immigration Branch of the Interior Department at Halifax, N.S. Presented 17th January, 1913.—*Mr. Maclean (Halifax)*.. .. ..*Not printed.*

61*uu*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Richard Hickey, agent Immigration Department at North Sydney, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61*vv*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges correspondence, letters, telegrams, and other documents relative to the dismissal of Dr. J. W. McLean, of North Sydney, N.S., medical examiner, Immigration Department at North Sydney, N.S., in the riding of North Cape Breton and Victoria. Presented 17th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61*ww*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John A. McRea, lightkeeper, at Margaree Island, Inverness County, Nova Scotia, of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. Chisholm (Inverness)*.. .. .. ..*Not printed.*

61*xx*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Thomas Brymer, lightkeeper at Lower L'Ardoise, Richmond County, N.S. Presented 17th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*yy*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dominique Boudrot, buoy contractor, at Petit de Grat, Richmond County, N.S. Presented 17th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*zz.* Return to an Order of the House of the 4th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents concerning the dismissal of Frederick F. Doucet, keeper of the lighthouse at the entrance of the harbour of Caraquet, County of Gloucester, and the nomination of his successor. Presented 17th January, 1913.—*Mr. Turgeon*.. .. ..*Not printed.*

61*aaa.* Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of W. H. Henlow, keeper of storm drum, Liscomb, Guysborough County, N.S. Presented 17th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*bbb.* Return to an Order of the House of the 4th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David Falconer, lightkeeper at Cariboo Island, County of Pictou. Presented 17th January, 1913.—*Mr. Macdonald*.. .. ..*Not printed.*

61*bbb.* Return to an Order of the House of the 4th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of M. Wilson Lawlor, harbour commissioner at North Sydney, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. McKenzie.*

Not printed.

61*ddd.* Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of P. J. McDonald, harbour commissioner at North Sydney, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 17th January, 1913.—*Mr. McKenzie.*

Not printed.

61*eee.* Return to an Order of the House of the 9th December, 1912, for a return showing: 1. The names of all lightkeepers in the Province of Nova Scotia who were dismissed from office or employment since 10th October, 1911, together with the date of each dismissal. Presented 17th January, 1913.—*Mr. Maclean (Halifax)*.. .. ..*Not printed.*

61*fff.* Return to an Order of the House of the 4th December, 1912, for a return showing the detail and number of dismissals from public offices in the Department of Marine and Fisheries to this date in the County of Bonaventure, the names of the dismissed occupants, the reasons for their dismissal, the complaints against such officials and a copy of all correspondence with respect to the same, and of all reports of investigations where such were held; as well as a list of the new appointments made by the department, with names, residences, salaries and duties,and a copy of all recommendations of such appointments. Presented 17th January, 1913.—*Mr. Marcil (Bonaventure).*

Not printed.

61*ggg.* Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of H. L. Tory, fishery officer at Guysborough, Guysborough County, N.S., and of all evidence taken, and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of the investigation. Presented 17th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*hhh.* Return to an Order of the House of the 4th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents in the possession of the Department of Marine and Fisheries relating to the dismissal of John W. Davis, fishery officer, Guysborough, N.S. Presented 17th January, 1913.—*Mr. Sinclair.*

Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61*jjj*. Return to an Order of the House of the 4th December, 1912, for a copy of all charges correspondence, letters, telegrams and other documents relating to the dismissal of Martin Bourque, lightkeeper at River Bourgeois, Richmond County, N.S., and of the evidence taken and of the report of the investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 17th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*jjj*. Return to an Order of the House of the 4th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Frederick Poirier, buoy contractor, at Descouse, Richmond County, N.S. Presented 17th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*kkk*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers. letters, telegrams and petitions for and against the dismissal of Dr. George Pinault, as medical health officer of the Mic-Mac Indian reserve, at Ste. Anne de Restigouche, Bonaventure County, Quebec, and of all documents relating to the appointment of a successor, with the name, residence, salary and duties of the new appointee. Presented 20th January, 1913.—*Mr. Marcil*.. .. ..*Not printed.*

61*lll*. Return to an Order of the House of the 1st April, 1912, for a copy of all papers, letters, &c., concerning the dismissal of Frederick Veit, employed by the Department of Marine and Fisheries in the County of Gaspé. Presented 20th January, 1913.—*Mr. Lemieux*.. .. ..*Not printed.*

61*mmm*. Return to an Order of the House of the 1st April, 1912, for a copy of all letters. petitions, complaints, declarations and other documents in the possession of the Department of Marine and Fisheries, relating to the dismissal of Mr. Alfred Lalonde, employed in the warehouse of the Government yards at St. Joseph de Sorel and the appointment of his successor. Presented 20th January, 1913.—*Mr. Cardin*..*Not printed.*

61*nnn*. Return to an Order of the House of the 1st April, 1912, for a copy of all letters telegrams, complaints or other papers or documents in the possession of the Government or any department thereof, relating to the dismissal of James Webber, lightkeeper, Tor Bay Point, N.S. Presented 20th January, 1913.—*Mr. Sinclair.*
Not printed.

61*ooo*. Return to an Order of the House of the 1st April, 1912, for a copy of all documents letters, inquiries, reports, evidence, &c., relating to the dismissal or the resignation of Baptiste Desjardins as lighthouse keeper at Kamouraska. Presented 20th January, 1913.—*Mr. Lapointe (Kamouraska)*.. .. ..*Not printed.*

61*ppp*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, letters, telegrams and other documents relating to the dismissal of Angus Smith, pilot on the steamer *Earl Grey*, and also of all the evidence taken at the latest investigation held in regard to the said complaints, and of the report of the investigation with regard to the same. Presented 20th January, 1913—*Mr. Macdonald.*
Not printed.

61*qqq*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Michael J. Sampson, lightkeeper at Lower L'Ardoise, Richmond County, N.S. Presented 20th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*rrr*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of William Hackett, harbour commissioner at North Sydney, Nova Scotia, in the riding

CONTENTS OF VOLUME 27—*Continued.*

of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to same, and a detailed statement of the expenses of such investigation. Presented 20th January, 1913.—*Mr. McKenzie.*

Not printed.

61*sss.* Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence and other documents in the possession of the Department of Marine and Fisheries relating to the dismissal of Hormidas Lacasse, as wharfinger on the government wharf at Wendover, County of Prescott, Ontario, and the appointment of his successor. Presented 20th January, 1913.—*Mr. Proulx*.. .. ..*Not printed.*

61*ttt.* Return to an Order of the House of the 9th December, 1912, for a copy of all documents, papers, evidence and correspondence, relating to the dismissal of Geoffrey Gorman, coxswain of the lifeboat station at Herring Cove, Halifax County, N.S. Presented 20th January, 1913.—*Mr. Maclean (Halifax)*.. .. .. *Not printed.*

61*uuu.* Return to an Order of the House of the 10th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Captain George Wetmore, harbour master at Yarmouth, Yarmouth County, N.S., and the same information regarding the appointment of Captain Wetmore's successor, and of all evidence taken and report of investigation held by Charles Lane in regard to the same, also a detailed statement of expenses of such investigation. Presented 20th January, 1913.—*Mr. Law*.. .. ..*Not printed.*

61*vvv.* Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Stanley Henlow, lightkeeper at Liscomb, Guysborough County, N.S., and of evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 20th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*www.* Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of H. C. V. LeVatte, fishery officer at Louisburg, Cape Breton South, N.S., and of the evidence taken and reports of investigations held by H. P. Duchemin, in regard to the same. Presented 20th January, 1913.—*Mr. Carroll*.. .. ..*Not printed.*

61*xxx.* Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Elias M. Boudrot, keeper of storm signal at Petit de Grat, Richmond County, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 20th January, 1913.—*Mr Kyte*.. .. ..*Not printed.*

61*yyy.* Return to an Order of the House of the 10th December, 1912, for a return of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of A. B. Cox, Superintendent of Reduction Works at Canso, Guysborough County, N.S., and of all evidence taken and report of investigation held by H. P Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 20th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*zzz.* Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against Jeffrey Crespo, sub-collector of Customs at Harbour au Bouche, Antigonish County, Nova Scotia, and of all letters, telegrams, correspondence and reports relating in any way to his dismissal and the appointment of a successor. Presented 20th January, 1913.—*Mr. Chisholm (Antigonish).*

Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61*aaaa*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, papers, charges and correspondence between the Department of Customs and all other persons regarding the dismissal from office of Thomas Cameron, preventive officer at Andover, N.B., and also of all evidence and reports thereon with reference to the dismissal of the said officer. Presented 20th January, 1913.—*Mr. Michaud.*
Not printed.

61*bbbb*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of L. W. Pye, customs officer at Liscomb, Guysborough County, N.S., and of all evidence taken and reports of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 20th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*cccc*. Return to an Order of the House of the 9th December, 1912, for a copy of all complaints, accusations, inquiries, reports, correspondence, and of all documents relating to the dismissal of Lucien O. Thisdale, a customs employee at Valleyfield, Quebec, and the appointment of his successor. Presented 20th January, 1913.—*Mr. Papineau.*
Not printed.

61*dddd*. Return to an Order of the House of the 11th December, 1912, for a copy of all letters, telegrams, correspondence, reports, and other documents relating to the dismissal of Alexander Macdonald of Doctor's Brook, Antigonish County, as sub-collector of customs. Presented 20th January, 1913.—*Mr. Chisholm (Antigonish).*
Not printed.

61*eeee*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Henry Cann, customs official and preventive officer at North Sydney, Nova Scotia, in the riding of North Cape Breton and Victoria. Presented 20th January, 1913.—*Mr. McKenzie*.. .. ..*Not printed*

61*ffff*. Return to an Order of the House of the 10th December, 1912, for a copy of all documents concerning the dismissal of Charles Mennier, customs preventive officer at Marieville, Quebec. Presented 20th January, 1913.—*Mr. Lemieux*.. .. ..*Not printed.*

61*gggg*. Return to an Order of the House of the 5th December, 1912, for a copy of all charges, correspondence, letters, telegrams, instructions, minutes of evidence taken and had on any inquiry investigation had, held or taken, and of all other papers and documents relating to the dismissal of George H. Cochrane, Collector of Customs at the Port of Moncton, New Brunswick; together with a copy of all letters and other correspondence between the Honourable Minister of Customs, and the member representing the County of Westmorland, New Brunswick, in this House, and of all letters, papers, telegrams, recommendations, appointments, or other papers and documents relating to the appointment of a collector of customs to succeed the said George H. Cochrane. Presented 20th January, 1913.—*Mr Emmerson*.. .. ..*Not printed.*

61*hhhh*. Return to an Order of the House of the 22nd January, 1912, for a copy of all correspondence, documents, recommendations and reports respecting the dismissal of C Michaud, postmaster at St. Germain, Kamouraska, and the appointment of his successor. Presented 20th January, 1913.—*Mr. Lapointe (Kamouraska)*.. ..*Not printed.*

61*iiii*. Return to an Order of the House of the 25th March, 1912, for a copy of all letters, telegrams and other documents, and of all complaints or accusations relating in any manner to the dismissal of Mr. Emile Archambault, letter carrier of Montreal, and a copy of the inquiry, and of the report of the inquiry held. Presented 20th January, 1913.—*Mr. Seguin*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*jjjj*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Norman Morrison, postmaster at Ferguson's Lake, Richmond County, N.S. Presented 21st January, 1913.—*Mr. Kyte*.. .. .. *Not printed.*

61*kkkk*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. J. McKillop, postmaster at McKillop, Richmond County, N.S. Presented 21st January, 1913.—*Mr. Kyte*.. .. .. *Not printed.*

61*llll*. Return to an Order of the House of the 22nd January, 1912, for a copy of all correspondence, papers and reports in connection with the investigation recently held at the Ste. Agathe post office, County of Terrebonne. Presented 21st January, 1913.—*Mr. Lemieux*.. .. .. *Not printed.*

61*mmmm*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Bertie Boudrot, lightkeeper at Poulamon, Richmond County, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation, and a copy of all papers relating to the appointment of his successor. Presented 22nd January, 1913.—*Mr. Kyte*.. .. .. *Not printed.*

61*nnnn*. Return to an Order of the House of the 1st April, 1912, for a copy of all letters, telegrams and other documents and of all complaints, accusations and requests for inquiry, relating in any manner to the lighthouse keepers of Repentigny, P.Q., Messrs. Leon Rivest, J. B. Lachapelle and Louis Dubois, since 21st September last; also a copy of the inquiry and the report of the inquiry held in the matter. Presented 22nd January, 1913.—*Mr. Seguin*.. .. .. *Not printed.*

61*oooo*. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, telegrams, letters, &c., relating to the dismissal of L. P. Carignan, forest ranger in the constituency of Champlain, Quebec. Presented 24th January, 1913.—*Mr. Maclean (Halifax)*.. .. .. *Not printed.*

61*pppp*. Return to an Order of the House of the 5th December, 1912, for a copy of all correspondence, complaints, petitions, memoranda, notes of evidence, letters, reports of investigations and other documents in the possession of the Department of Customs, relating to the dismissal of James S. Harvey, preventive officer, New Richmond, Quebec; W. L. Kempffer, preventive officer at Paspebiac, Quebec; J. Herbert Sweetman, preventive officer at Port Daniel, Quebec; J. B. Le Blanc, preventive officer, at Carleton, Quebec; J. Nadeau, preventive officer, Nouvelle, Quebec, as well as a copy of all recommendations made regarding the appointment of their various successors and the names, salaries, duties and residences, with a copy of their instructions. Presented 24th January, 1913.—*Mr. Marcil*.. .. .. *Not printed.*

61*qqqq*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of William Marsh, preventive officer at Little Pond, Sydney Mines, in the riding of North Cape Breton and Victoria. Presented 24th January, 1913.—*Mr. McKenzie*. *Not printed.*

61*rrrr*. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, letters, telegrams, and petitions, for and against the dismissal of Duncan McDonald, preventive officer of customs at Athelstan, County of Huntingdon; also a copy of the report of investigation and evidence submitted to investigating commissioner. Presented 24th January, 1913.—*Mr. Robb*.. .. .. *Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*ssss*. Return to an Address to His Royal Highness the Governor General of the 11th December, 1912, for a copy of all papers, documents, orders in council, telegrams, letters, &c., relating to the dismissal from office of Lemuel Bent, late Collector of Customs at Oxford, N.S. Presented 24th January 1913.—*Mr. Maclean (Halifax).* *Not printed.*

61*tttt*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Pascal Poirier, Collector of Customs at Descouse, Richmond County, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 24th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*uuuu*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, letters, telegrams, reports and other documents concerning the dismissal of Donald J. Hachey, Collector of Customs at Bathurst, County of Gloucester, and the appointment of his successor. Presented 24th January, 1913.—*Mr. Turgeon.* *Not printed.*

61*vvvv*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, orders in council, and all other papers or documents in any way relating to the dismissal of John Maher, from the service of the Customs Department at Montreal. Presented 24th January, 1913.—*Mr. Murphy*.. .. ..*Not printed.*

61*wwww*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Peter Fougère, preventive and customs officer at Petit de Grat, Richmond county, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 24th January, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61*xxxx*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of James Grantmyre, preventive officer at Little Bras D'or, N.S., in the riding of North Cape Breton and Victoria. Presented 24th January, 1913.—*Mr. McKenzie.* *Not printed.*

61*yyyy*. Return to an Order of the House of the 15th January, 1913, for a return showing all the employees on the Soulanges Canal who have been dismissed from their duties since the 21st September, 1911, by whom each of these employees has been replaced, and for what causes were they dismissed. Presented 27th January,1913.—*Mr. Bu*.. .. ..*Not printed.*

61*zzzz*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Andrew Melville, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Proulx*.. .. ..*Not printed.*

61*aaaaa*. Return to an Order of the House of 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of George Short, canal bridgetender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Guthrie*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*bbbbb*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of N. Broderick, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. McMillan*.. .. ..*Not printed.*

61*ccccc*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Thomas McLatchie, locktender at Cardinal, Ontario. Presented 27th January, 1913. *Mr. Graham*.. .. ..*Not printed.*

61*ddddd*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Elgin McLaughlin, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Emmerson*.. .. ..*Not printed.*

61*eeeee*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Robert Robertson, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Lemieux*.. .. ..*Not printed.*

61*fffff*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of William L. Gladstone, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Pugsley*.. .. ..*Not printed.*

61*ggggg*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Byron VanCamp, locktender at Cardinal, Ontario. Presented 7th January, 1913.—*Mr. Murphy*.. .. ..*Not printed.*

61*hhhhh*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Samuel English, canal bridge tender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

61*iiiii*. Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Edward F. Moran, locktender at Cardinal, Ontario. Presented 27th January, 1913.—*Mr. Oliver*.. .. ..*Not printed.*

67*jjjjj*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters correspondence, documents and reports relating to the dismissal of William R. Fougere, of Frankville, Antigonish County, N.S., a sectionman on the Intercolonial railway, and for a statement in detail of the expenses connected with the investigations of the charges against him. Presented 27th January, 1913.—*Mr. Chisholm* (*Antigonish*). *Not printed.*

61*kkkkk*. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents and reports relating to the dismissal of John Melanson, of Afton, Antigonish County, N.S., a sectionman on the Intercolonial railway, and for a statement in detail of the expenses connected with the investigation of the charges against him. Presented 27th January, 1913.—*Mr. Chisholm* (*Antigonish*). *Not printed.*

61*lllll*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Ronald D. McDonald, fishery overseer, at Broad Cove, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 27th January, 1913.—*Mr. Chisholm* (*Inverness*). *Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*mmmmm*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John McLean, fishery officer at Gabarouse, Cape Breton South, N.S., and of evidence taken and reports of investigations held by H. P. Duchemin, in regard to the same. Presented 27th January, 1913.—*Mr. Carroll*.. .. ..*Not printed.*

61*nnnnn*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of A. R. Forbes, fishery overseer at North Sydney, Nova Scotia in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 27th January, 1913.—*Mr. McKenzie.* *Not printed.*

61*ooooo*. Return to an Order of the House of the 15th January, 1913, for a copy of all correspondence, letters, telegrams, complaints, petitions, and other documents concerning the dismissal of Sebastien Savoie, superintendent of the lobster hatchery at Shippigan, Gloucester County, N.B., and the appointment of his successor. Presented 27th January, 1913.—*Mr. Turgeon*.. .. ..*Not printed.*

61*ppppp*. Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. S. Hendsbee, weigher, reduction works, Canso, Guysborough County N.S., and of all evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 27th January, 1913.—*Mr. Sinclair*.. .. ..*Not printed.*

61*qqqqq*. Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of M. Muce, lightkeeper at Cheticamp Island, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 29th January, 1913.—*Mr. Chisholm (Inverness)*.. .. .. ..*Not printed.*

61*rrrrr*. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Dr. J. D. R. Williams, collector of canal tolls at Cardinal, Ontario, and of the appointment of his successor. Presented 30th January, 1913.—*Mr. McMillan*.. .. ..*Not printed.*

61*sssss*. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of John W. Bohan, preventive officer at Bath, Carleton County, N.B. Presented 3rd February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

61*ttttt*. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, correspondence, &c., relating to the dismissal of J. V. Smith, sub-collector of customs at Wood's Harbour, Shelburne County, N.S. Presented 3rd February, 1913.—*Mr. Law*.. .. ..*Not printed.*

61*uuuuu*. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of John Y. Fleming, customs officer at Debec, Carleton County, N.B. Presented 3rd February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

61*vvvvv*. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Matthias Meagher, preventive officer at Debec, Carleton County, N.B. Presented 3rd February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61*uuuuuu*. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, letters, telegrams, complaints, and of the evidence given at investigation, if one was held, relating to the dismissal of Mr. A. J. Gosselin, acting preventive officer of customs at St. Albans, Vermont, through the port of St. Armand, County of Missisquoi. Presented 4th February, 1913.—*Mr. Kay*.. .. ..*Not printed.*

61*xxxxx*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, letters, telegrams, and petitions for and against the dismissal of James W. Bannon, preventive officer of customs at St. Agnes de Dundee, County of Huntingdon also a copy of the report of investigation and evidence, if any, submitted to investigating commissioner. Presented 4th February, 1913.—*Mr. Robb*.. .. ..*Not printed.*

61*yyyyy*. Return to an Order of the House of the 4th December, 1912, for a return showing the number of postmasters that have been dismissed in the County of Pictou since 1st October, 1911; the names of the postmasters who have been appointed to succeed them; the causes of the dismissals and all complaints and correspondence with respect to same, and of all reports of investigation where investigations have been held. Presented 4th February, 1913.—*Mr. Macdonald*.. .. ..*Not printed.*

61*zzzzz*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, orders in council, and all other papers or documents in any way relating to the dismissal of James Murphy from the position of postmaster at Tweed, Ontario. Presented 4th February, 1913.—*Mr. Murphy*.. .. ..*Not printed.*

61 (6*a*). Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of H. B. Easton, immigration agent at Prescott, Ontario. Presented 4th February, 1913.—*Mr. Murphy*.. .. ..*Not printed.*

61 (6*b*). Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of B. Hughes, immigration agent at Prescott, Ontario. Presented 4th February, 1913.—*Mr. Oliver*.. .. ..*Not printed.*

61 (6*c*). Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of George Walsh, immigration agent at Prescott, Ontario. Presented 4th February, 1913.—*Mr. Oliver*.. .. ..*Not printed.*

61 (6*d*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Newton S. Dow, immigration agent at McAdam Junction, York County, N.B. Presented 4th February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

61 (6*e*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Oliver Hemphill, immigration agent at Debec, Carleton County, N.B. Presented 4th February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

61 (6*f*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Martin Johnston, preventive officer at Rea Islands, Richmond County, N.S Presented 6th February, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (6*g*). Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, letters, telegrams and other documents respecting the dismissal of J. E. Phaneuf, postmaster of St. Hugues, County of Bagot. Presented 6th February, 1913.—*Mr. Marcile*.. .. ..*Not printed*

61 (6*h*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Murdock McCutcheon, postmaster at Sonora, Guysborough County, N.S., and of all evidence taken and report of investigation held by Mr. H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 6th February, 1913.—*Mr. Sinclair*.. .. ..*Not printed*

61 (6*i*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Duncan Gillies, fishery overseer at Baddeck, C.B., in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 7th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (6*j*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints, accusations, correspondence, petitions and of all documents and reports respecting the dismissal of Antonio Leduc, postmaster of St. Timothée, in the County of Beauharnois and the appointment of his successor. Presented 7th February, 1913.—*Mr. Papineau*.. .. ..*Not printed.*

61 (6*k*). Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of the recommendation to council, the order in council, all correspondence with the government or any member thereof, and of all letters, documents and papers in any way connected with the dismissal of Charles Arthur Bowman from the engineering branch of the Department of Railways and Canals.—*Mr. Clark (Red Deer)*.. .. ..*Not printed.*

61 (6*l*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of Elnathan D. Smith, fishery overseer, Shag Harbour, Shelburne County, N.S. Presented 11th February, 1913.—*Mr. Law*.. .. ..*Not printed.*

61 (6*m*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Donald McAulay, lightkeeper, Plaister, Baddeck Bay, C.B., riding of North Cape Breton and Victoria, and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie.* *Not printed.*

61 (6*n*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of John Fredericks, lightkeeper at East Jordan, Shelburne County, N.S. Presented 11th February, 1913.—*Mr. Law*.. .. ..*Not printed.*

61 (6*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of John Fredericks, wharfinger at East Jordan, Shelburne County, N.S. Presented 11th February, 1913.—*Mr. Law*.. .. ..*Not printed*

CONTENTS OF VOLUME 27—*Continued.*

61 (6*p*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of John C Morrison, harbour master at Shelburne, N.S. Presented 11th February, 1913.—*Mr. Maclean (Halifax)*.. .. ..*Not printed.*

61 (6*q*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Captain Roderick McDonald, tide waiter, at Big Bras D'Or, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie.*
Not printed.

61 (6*r*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of James Maloney, customs officer at Dingwall, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (6*s*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Hugh D. McEachern, customs officer at north side East Bay, Cape Breton, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (6*t*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, evidence, reports and correspondence relating to the dismissal of Thos. H. Hall, sub-collector of customs at Sheet Harbour, N.S. Presented 11th February, 1913.—*Mr. Maclean (Halifax)*.. .. ..*Not printed.*

61(6*u*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of J. A. McNeil, customs officer at Grand Narrows, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie.*
Not printed.

61 (6*v*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of George Burchell, custom house officer at Sydney Mines, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie.*
Not printed.

61 (6*w*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of W. H. Saver, collector of customs at Cardinal, Ont., and the appointment of his successor. Presented 11th February, 1913.—*Mr. McMillan.*
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61 (6*x*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, telegrams and other documents relative to the dismissal of Captain George Livingstone, custom officer at Big Bras D'Or, Cape Breton, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same and a detailed statement of the expenses of such investigation. Presented 11th February, 1913.—*Mr. McKenzie.*
Not printed.

61 (*y*). Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, reports and other documents and papers relating to the dismissal of H. Lacasse, as postmaster at Wendover, County of Prescott, Ontario, and the appointment of his successor. Presented 13th February, 1913.—*Mr. Proulx.. ..Not printed.*

61 (6*z*). Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence and other papers connected with the removal of Harry A. Drigg, from the position of postmaster at Grassey Lake, Alberta. Presented 13th February, 1913.—*Mr. Buchanan.. .. ..Not printed*

61 (7*a*). Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, memoranda, orders in council, and correspondence relating to the dismissal of A. H. Stratton, late postmaster at Peterborough, Ont. Presented 17th February, 1913.—*Mr. Maclean (Halifax).*
Not printed

61 (7*b*). Return to an Order of the House of the 10th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Henry Burrell, postmaster, Yarmouth North, Yarmouth County, N.S., and the same information regarding the appointment of Henry Burrell's successor, and of the evidence taken and report of investigation held by Charles Lane in regard to the same, also a detailed statement of expenses of such investigation. Presented 18th February, 1913.—*Mr. Law.. .. ..Not printed.*

61 (7*c*). Return to an Order of the House of the 4th December, 1912, for a return showing all the postmasters dismissed by the present government in the County of Gloucester, the names of such persons, the reasons for their dismissal, nature of the charges made against them; also a copy of all correspondence connected with it, and reports of investigations in cases where such investigations were instituted. Presented 18th February, 1913.—*Mr. Turgeon.. .. ..Not printed.*

61 (7*d*). Return to an Order of the House of the 10th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dr. Charles A. Webster, port physician at Yarmouth, County of Yarmouth, N.S., and the same information regarding the appointment of Dr. Webster's successor. Presented 18th February, 1913.—*Mr. Law.. .. ..Not printed*

61 (7*e*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, papers, charges and correspondence between the Department of Marine and Fisheries and all other persons, regarding the dismissal of Jos. Lord, keeper of lighthouses at Pointe à la Mule on the River Richelieu, Parish of St. Blaise, County of Saint Jean and Iberville and of all reports thereon with reference to the dismissal of the said Mr. Lord. Presented 19th February, 1913.—*Mr. Demers.. .. .. ..Not printed.*

61 (7*f*). Return to an Order of the House of the 15th January, 1913, for a copy of all correspondence, letters, telegrams and petitions concerning the dismissal of Henri Friolet, wharfinger at Caraquet, and Richard Southwood, wharfinger and agent of the Storm Signal Service at Bathurst, Gloucester County, N.B., and the appointment of their successors. Presented 19th February, 1913.—*Mr. Turgeon.. .. .. ..Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (7*g*). Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, letters, telegrams, reports and other documents, respecting the removal of Joseph L. Robichaud, lighthouse keeper at Miscou, County of Gloucester and the appointment of his successor; also of all correspondence respecting the engagement of the engineer of fog alarm system attached to that station, and the certificates required by the Minister of Marine, showing the competence of that engineer; with the names of the new keeper and of the said engineer and their ages. Presented 19th February, 1913.—*Mr. Turgeon*.. .. ..*Not printed.*

61 (7*h*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Captain Pope as lighthouse keeper at Scatarie, Cape Breton South, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 19th February, 1913.—*Mr. Carroll*.. .. .. ..*Not printed*

61 (7*i*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Captain W. W. Lewis, as shipping master at Louisburg, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 19th February, 1913.—*Mr. Carroll.*
Not printed.

61 (7*j*). Return to an Order of the House of the 4th December, 1912, for a return showing the names of postmasters that have been dismissed in the County of Bonaventure since 1st October, 1911; the names of the postmasters who have been appointed to succeed them; the causes of the dismissals and a copy of all complaints and correspondence with respect to same, and of all reports of investigations where such have been held, with the reasons given for not holding any such investigation, when not held. Presented 19th February, 1913.—*Mr. Marcil*.. .. ..*Not printed*

61 (7*k*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of George Hines, lighthouse keeper at South Ingonish, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation. Presented 20th February, 1913.—*Mr. McKenzie*..*Not printed.*

61 (7*l*). Return to an Order of the House of the 15th January, 1913, for a return showing a list of the lighthouse keepers removed by the present government in the County of Two Mountains, the names of such persons, the reasons for their dismissal, the nature of the complaints made against them; also a copy of all correspondence and petitions relating thereto, and reports of inquiries in the cases, where such have been held; and also the names of their successors. Presented 20th February, 1913.—*Mr. Ethier*.. .. ..*Not printed.*

61 (7*m*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Archibald McDonald, preventive officer at Mull River, Inverness County, Nova Scotia. Presented 20th February, 1913.—*Mr. Chisholm (Inverness)*..*Not printed.*

61 (7*n*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, correspondence on file referring to the dismissal of Donald Chisholm, of Tracadie, in the County of Antigonish, as preventive officer. Presented 20th February, 1913.—*Mr. Chisholm (Antigonish)*... .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (7*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, telegrams, reports and other documents relative to the dismissal of Edward C. Humphreys, of Trenton, N.S., as an officer of the Inland Revenue Department and to the appointment of his successor. Presented 20th February, 1913.—*Mr. Macdonald.* *Not printed.*

61 (7*p*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of H. J. Fixott, port physician at Arichat, Richmond County, N.S. Presented 21st February, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61 (7*q*). Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, letters, telegrams and other documents relating to the dismissal of D. Morin as postmaster of St. Pie de Bagot, County of Bagot. Presented 21st February, 1913.—*Mr. Marcil (Bagot)*.. .. ..*Not printed.*

61 (7*r*). Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, investigations and papers generally concerning the dismissal of Ernest Paquin, postmaster of St. Cecile de Levrard, County of Nicolet. Presented 21st February, 1913.—*Mr. Lemieux*.. .. ..*Not printed.*

61 (7*s*). Return to an Address to His Royal Highness the Governor General of the 17th February, 1913, for a copy of all complaints and charges made against John R. McDonald, Indian agent at Heatherton, Antigonish County, of the recommendations to council and of the order in council made thereon, and of all letters, correspondence, and documents connected in any way with his dismissal. Presented 25th February, 1913.—*Mr. Chisholm (Antigonish)*... .. ..*Not printed.*

61 (7*t*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Joseph Day, customs officer at Little Bras D'Or, C.B., in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 25th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (7*u*). Return to an Address to His Royal Highness the Governor General of the 29th January, 1913, for a copy of all complaints against Duncan McLeod, appraiser of customs at Sherbrooke, Province of Quebec, of all information obtained as to his conduct through seizures of goods by special officers of customs and by investigation; of all reports of investigation; of the order in council dismissing said Duncan McLeod; and of all correspondence between him and the Department of Customs. Presented 25th February, 1913.—*Mr. McCrae*.. .. ..*Not printed.*

61 (7*v*). Return to an Order of the House of the 17th February, 1913, for a copy of all papers, letters, telegrams, evidence, &c., given at the investigation or investigations and of reports of such investigations, relating to the dismissal of Edouard D Chiasson, sub-collector of customs at Lamèque, Gloucester County, and the appointment of his successor. Presented 25th February, 1913.—*Mr. Turgeon*.. ..*Not printed.*

61 (7*w*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of George F. Briggs, customs officer at McAdam Junction, York County, N.B. Presented 25th February, 1913.—*Mr. Carvell*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (7*x*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of William A. Duan, lightkeeper at Green Island, Richmond County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 25th February, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61 (7*y*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, charges, correspondence, letters, telegrams and other documents relating to the dismissal of Thomas Cameron, preventive officer at Andover, N.B., and of the evidence taken and reports of investigation held by Mr. E. T. C. Knowles, in connection with the same. Presented 26th February, 1913.—*Mr. Michaud*.. .. ..*Not printed.*

61 (7*z*). Return to an Order of the House of the 29th January, 1913, for a copy of all complaints and charges made against Joseph McDonald, late of the customs office at Sydney, Cape Breton, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of his successor. Presented 26th February, 1913.—*Mr. Carroll*.. .. ..*Not printed.*

61 (8*a*). Return to an Order of the House of the 29th January, 1913, for a copy of all complaints and charges made against Angus McGillivray, late of customs office at Glace Bay, Cape Breton South, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of his successor. Presented 26th February, 1913.—*Mr. Carroll*.. .. ..*Not printed.*

61 (8*b*). Return to an Order of the House of the 3rd February, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Roderick Bain, boatman at New Campbellton, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of the investigation held by H. P. Duchemin, in regard to same, with a detailed statement of expenses of such investigation. Presented 26th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (8*c*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of W. A. Scott, lockmaster at Cardinal, Ontario, and of the appointment of his successor. Presented 27th February, 1913.—*Mr. McMillan.*
Not printed.

61 (8*d*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Bert Johnson, lockman at Nicholson, Ontario. Presented 27th February, 1913.—*Mr. Turgeon*.. .. ..*Not printed.*

61 (8*e*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of John Merrifield, lockmaster at Burritts Rapids, Ont., and the appointment of his successor. Presented 27th February, 1913.—*Mr. Chisholm.*
Not printed.

61 (8*f*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Neil Cummings, lockmaster at Cardinal, Ontario, and of the appointment of his successor. Presented 27th February, 1913.—*Mr. McMillan*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (8*g*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, papers, charges and correspondence between the Department of Railways and Canals and all other persons, regarding the dismissal of Mr. François Chagnon, lockkeeper at Saint Jean, County of Saint Jean and Iberville, and of all reports thereon with reference to the dismissal of the said Mr. Chagnon. Presented 27th February, 1913.—*Mr. Demers*.. .. ..*Not printed.*

61 (8*h*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Neil McNeil, bridge tender, Intercolonial railway, at Grand Narrows in the riding of North Cape Breton and Victoria. Presented 27th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (8*i*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Archibald McKenzie, sectionman, Intercolonial railway, at Grand Narrows, in the riding of North Cape Breton and Victoria. Presented 27th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (8*j*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of John Fraser, bridge tender, Intercolonial railway, at Grand Narrows, in the riding of North Cape Breton and Victoria. Presented 27th February, 1913.—*Mr. McKenzie*.. .. ..*Not printed.*

61 (8*k*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Demetrius Crozier, lockman at Merrickville, Ontario. Presented 27th February, 1913.—*Mr. Proulx*.. .. ..*Not printed.*

61 (8*l*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Patrick Cussuk, lockman at Merrickville, Ontario Presented 27th February, 1913.—*Mr. Michaud*.. .. ..*Not printed.*

61 (8*m*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Joseph H. Webster, lockman at Nicholson, Ontario. Presented 27th February, 1913.—*Mr. Pacaud*.. .. ..*Not printed.*

61 (8*n*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Cyrus O'Neil, lockman at Nicholson, Ontario. Presented 27th February, 1913.—*Mr. Kyte*... .. ..*Not printed.*

61 (8*o*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Michael Laughtin, bridgeman at Burritts Rapids, Ontario. Presented 27th February, 1913.—*Mr. Papineau*.. .. ..*Not printed.*

61 (8*p*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of John McKay, bridgeman at Becketts, Ontario. Presented 27th February, 1913.—*Mr. Lanctot*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (8*q*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Edward Proctor, lockman at Burritts Rapids, Ont. Presented 27th February, 1913.—*Mr. Neely*.. .. ..*Not printed.*

61 (8*r*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of William Morrison, lockman at Burritts Rapids, Ont. Presented 27th February, 1913.—*Mr. Cash*.. .. ..*Not printed.*

61 (8*s*). Return to an Order of the House of the 15th January, 1913, for a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Adam Henderson, bridgemaster at Cardinal, Ontario, and of the appointment of his successor. Presented 27th February, 1913.—*Mr. Murphy.* *Not printed.*

61 (8*t*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of James Feehan, fishery guardian or warden at Tracadie Harbour and Savage Harbour, Prince Edward Island. Presented 27th February, 1913.—*Mr. Hughes (Kings, P.E.I.)*.. .. ..*Not printed.*

61 (8*u*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of John C. McNeil, lighthouse keeper at Grand Narrows, in the riding of North Cape Breton and Victoria. Presented 27th February, 1913.—*Mr. McKenzie.* *Not printed.*

61 (8*v*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of A. A. Chisholm, fishery overseer at Margaree Forks, Inverness County, Nova Scotia. Presented 28th February, 1913.—*Mr. Chisholm (Inverness)*.. ..*Not printed.*

61 (8*w*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Charles E. Aucoin, collector of customs at Cheticamp, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish).* *Not printed.*

61 (8*x*). Return to an Order of the House of the 17th February, 1913, for a copy of all complaints and charges made against Charles L. Gass, late postmaster at Bayfield, Antigonish County, of the evidence taken, if any, before Commissioner Duchemin, and of his report thereon and of all letters, telegrams and documents of every kind relating to his dismissal and the appointment of his successor. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61 (8*y*). Return to an Order of the House of the 17th February, 1913, for a copy of all letters and correspondence exchanged in reference to the dismissal of Cyprien Martin, of St. Basile, County of Madawaska, N.B., between the Department of Customs and the said Mr. Martin as preventive officer. Presented 28th February, 1913.—*Mr. Michaud*.. .. ..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (8*z*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against Angus A. Boyd, postmaster at Boyd's post office, Antigonish County, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal, and the appointment of a successor. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61 (9*a*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against John B. Macdonald, postmaster at Glasburn, Antigonish County, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal, and the appointment of a successor. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed*

61 (9*b*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against Alex. G. Chisholm, postmaster at Ohio, Antigonish County, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal, and the appointment of a successor. Presented 28th February, 1913.—*Mr. Chisholm (Inverness)*.. .. ..*Not printed*

61 (9*c*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against John J. McLean, postmaster at Cross Roads, Ohio, Antigonish County, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of a successor. Presented 28th February, 1913.—*Mr. Chisholm (Inverness)*.. .. ..*Not printed*

61 (9*d*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against Dougald McDonald, postmaster at Doctors Brook, Antigonish County, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal, and the appointment of his successor. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61 (9*e*). Return to an Order of the House of the 9th December, 1912, for a copy of all complaints and charges made against Dan. A. McInnes, postmaster at Georgeville, Antigonish County, Nova Scotia, and of all letters, telegrams, and correspondence relating in any way to his dismissal, and the appointment of his successor. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61 (9*f*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, letters, correspondence, telegrams and other documents relating to the dismissal of E. A. Asker, harbour master at Campbellton. Presented 3rd March, 1913.—*Mr. Reid (Restigouche)*.. .. ..*Not printed.*

61 (9*g*). Return to an Order of the House of the 10th February, 1913, for a copy of all papers, letters, documents and orders relative to the dismissal of Fred Shultz as caretaker of the armouries at Kentville, Nova Scotia, and of the appointment of William Shoop in his place and also for a statement of the stores in said armouries in the years 1910, 1911, 1912, respectively, and for a copy of all orders and regulations relative to the duties of such caretaker. Presented 3rd March, 1913.—*Mr. Macdonald. Not printed.*

61 (9*h*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dr. Freeman O'Neil, from the Marine Hospital at Louisburg, Cape Breton South, N.S., and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 10th March, 1913.—*Mr. Carroll..Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (9*i*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Leon N. Poirier, wharfinger at Descouse, Richmond County, N.S. Presented 10th March, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61 (9*j*). Return to an Order of the House of the 10th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Norman L. Trefry, shipping master at Yarmouth, County of Yarmouth, N.S., and the same information regarding the appointment of Mr. Trefry's successor Presented 10th March, 1913.—*Mr. Law*.. .. ..*Not printed.*

61 (9*k*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, documents, correspondence, &c., relating to the dismissal of James Amereault, lighthouse keeper at New Edinburgh, Digby County, N.S. Presented 10th March, 1913.—*Mr. McLean (Halifax)*.. .. ..*Not printed*

61 (9*l*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of H. B. Manley, a clerk in the Dominion Lands Office at Saskatoon. Presented 10th March, 1913.—*Mr. McCraney*.. .. ..*Not printed.*

61 (9*m*). Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, letters, telegrams, papers and other documents in connection with the dismissal of John Spicer, senior assistant of the Moosejaw Land Agency. Presented 10th March, 1913.—*Mr. Knowles*.. .. ..*Not printed.*

61 (9*n*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, letters, telegrams and other documents respecting the dismissal of Robert Pragnall from the position of agent of the Dominion Land Office at Swift Current and the appointment of his successor. Presented 10th March, 1913.—*Mr. Knowles.*
Not printed.

61 (9*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of G. M. Ullyot, a clerk in the Dominion Lands Office at Saskatoon. Presented 10th March, 1913.—*Mr. McCraney*.. .. ..*Not printed.*

61 (9*p*). Return to an Order of the House of the 9th December, 1912, for a return showing the detail and number of dismissals from public offices by the present government to this date in the riding of Saskatoon, with the names of the dismissed occupants, the reasons for their dismissals, the complaints against such officials, and all correspondence with respect to the same, and of all reports of investigations, in case where such were held. Presented 17th March, 1913.—*Mr. McCraney*.. .. ..*Not printed*

61 (9*q*). Return to an Order of the House of the 17th February, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports, affidavits and other documents in the Department of Inland Revenue, respecting the dismissal of J. N. Poirier, Collector of Excise at Victoriaville, County of Arthabaska, and the names of the witnesses interested, with a copy of the evidence and a statement of expenses of the said inquiry. Presented 17th March, 1913.—*Mr. Brouillard*.. .. ..*Not printed.*

61 (9*r*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of John G. Morrison, fishery inspector at Englishtown, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 18th March, 1913.—*Mr. Kyte*.. .. ..*Not printed*

CONTENTS OF VOLUME 27—*Continued.*

61 (9*s*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Edward Landry, lightkeeper, Petite de Grat, Richmond County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 18th March, 1913.—*Mr. Kyte*.. .. ..*Not printed.*

61 (9*t*). Return to an Order of the House of the 27th January, 1913, for a copy of all documents, petitions, letters, correspondence, inquiries and reports concerning the dismissal of Evariste Talbot, employed in the general freight office of the Intercolonial. Presented 18th March, 1913.—*Mr. Lapointe (Kamouraska)*.....*Not printed*

61 (9*u*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways or any department of the government, relating to the dismissal of Philip H. Ryan, an employee of the Intercolonial railway at Mulgrave, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 18th March, 1913.—*Mr. Sinclair*..*Not printed.*

61 (9*v*). Return to an Order of the House of the 3rd February, 1913, for a return showing how many postmasters and other post office employees were removed from office respectively, from the 1st of July, 1896, to the 1st of October, 1911, and the number in each province; and from the 10th of October, 1911, up to date, with the number in each province; also the number of post offices in operation in each province on the 1st July, 1896. Presented 26th March, 1913.—*Mr. Rainville*.....*Not printed.*

61 (9*w*). Return to an Address to His Royal Highness the Governor General of the 3rd February, 1913, for a copy of all orders in council, and of all letters, telegrams, complaints, petitions and of all other documents of any kind, in the possession of the government, or of any department or official thereof, in any way relating to or concerning the dismissal of Dr. Clarence T. Campbell, post office inspector at London, Ontario. Presented 26th March, 1913.—*Mr. Ross*.....*Not printed.*

61 (9*x*). Return to an Order of the House of the 9th December, 1912, for a return showing the number of postmasters that have been dismissed in the County of Missisquoi since 1st October, 1911, the names of the postmasters who have been appointed to succeed them, the cause of the dismissals and a copy of all complaints and correspondence with respect to the same, and of all reports of investigations where such have been held. Presented 26th March, 1913.—*Mr. Kay*.....*Not printed.*

61 (9*y*). Return to an Order of the House of the 27th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, regarding any change in any post office or postmastership in Bonaventure County, between 5th December, 1912, up to date. Presented 26th March, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

61 (9*z*). Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, documents, correspondence, orders in council, &c., relative to the dismissal of S. A. Johnson, late postmaster at Petite Rivière, Lunenburg County, N.S. Presented 26th March, 1913.—*Mr. MacLean (Halifax)*.
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61 (10*a*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Murdock McKenzie, postmaster at Millville Boulardarie, Nova Scotia, in the riding of North Cape Breton and Victoria. Presented 26th March, 1913.—*Mr. McKenzie* ....*Not printed.*

61 (10*b*). Return to an Order of the House of the 9th December, 1912, for a copy of all documents, correspondence and telegrams relating to the dismissal of James Stewart, postmaster at Middleton, Antigonish County, and the appointment of his successor. Presented 26th March, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed*

61 (10*c*). Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, telegrams and reports relating to the dismissal of Lauchlin McNeil, postmaster at New France, County of Antigonish, and the appointment of his suc- Presented 26th March, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

61 (10*d*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Frank Dunlop, postmaster at Groves Point, Nova Scotia, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expense of such investigation. Presented 26th March, 1913.—*Mr. McKenzie.*

Not printed.

61 (10*e*). Return to an Order of the House of the 10th December, 1912, for a copy of all letters, telegrams, complaints, petitions and other documents relating to the investigation of A. W. Salsman, postmaster at Middle Country Harbour, N.S., and to the appointment of his successor. Presented 26th March, 1913.—*Mr. Sinclair.*

Not printed.

61 (10*f*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Richard Conroy, postmaster at Cross Roads, County Harbour, Guysborough County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 26th March, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (10*g*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Abner Carr, postmaster at St. Francis Harbour, Guysborough County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of expenses of such investigation. Presented 26th March, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (10*h*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Parker Sangster, postmaster, Upper New Harbour, Guysborough County, NS., and of all evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 26th March, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (10*i*). Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, orders in council and all other papers or documents in any way relating to the dismissal of Alexander Marion, from the position of postmaster at Rockland, Ontario. Presented 26th March, 1913.—*Mr. Murphy* ....*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (10*j*). Return to an Order of the House of the 4th December, 1912, for a copy of the evidence taken and the report made by each commissioner appointed since 1st of November, 1911, to conduct an investigation into charges of offensive partizanship made against postmasters in the County of Russell. Presented 26th March, 1913.—*Mr. Murphy* .....*Not printed.*

61 (10*k*). Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, evidence, reports, findings and correspondence, relating to the dismissal of Mathew Boutilier, recently postmaster at Mushaboom, Halifax County, N.S. Presented 26th March, 1913.—*Mr. MacLean (Halifax)*.....*Not printed*

61 (10*l*). Return to an Order of the House of the 29th January, 1913, for a return showing the names of the postmasters in the County of Joliette, who have been dismissed from 1896 to September, 1911; their respective parishes; dates of their dismissals; the reasons alleged; whether an inquiry was made in each case; on whose recommendation in each case the dismissals were made; names of successors in each case, and on whose recommendation were they appointed. Presented 26th March, 1913.—*Mr. Guilbault.* *Not printed.*

61 (10*m*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of T. Doane Crowell, postmaster at Shag Harbour, Shelburne County, N.S., and the appointment of his successor. Presented 26th March, 1913.—*Mr. Law.* *Not printed.*

61 (10*n*). Return to an Order of the House of the 22nd January, 1913, for a return showing the postmasters who have been dismissed in the County of Vaudreuil, the dates of their appointment, the cause of their dismissal and by whom their dismissal was requested. Presented 26th March, 1913.—*Mr. Boyer*.....*Not printed.*

61 (10*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of Mrs. Spinney, postmistress at Upper Port La Tour, Shelburne County, N.S. Presented 26th March, 1913.—*Mr. Law*.....*Not printed.*

61 (10*p*). Return to an Order of the House of the 29th January, 1913, for a return showing the number of postmasters dismissed in the County of Rimouski since 21st September, 1911, giving their names. Presented 26th March, 1913.—*Mr. Lapointe (Kamouraska)* .....*Not printed.*

61 (10*q*). Return to an Order of the House of the 4th December, 1912, for a return showing the detail and number of dismissals from public offices by the present government to this date in the riding of Wright, giving the names of the dismissed occupants, the reasons for their dismissal, the complaints against such officials, and a copy of all correspondence with respect to the same, with all reports of investigations where such were held. Presented 27th March, 1913.—*Mr. Devlin*.....*Not printed*

61 (10*r*). Return to an Order of the House of the 29th January, 9113, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John R. McLennan, janitor of the public building at Inverness Town, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 28th March, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (10*s*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, and other documents relating to the dismissal of James Arbuckle, caretaker of the public buildings at Pictou, and the appointment of two successors in his stead. Presented 28th March, 1913.—*Mr. Macdonald*.....*Not printed.*

61 (10*t*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Mary Dunlop, telegraph operator at Groves Point, Cape Breton County, Nova Scotia, in the riding of North Cape Breton and Victoria. Presented 28th March, 1913.—*Mr. McKenzie* .....*Not printed.*

61 (10*u*). Return to an Order of the House of the 4th December, 1912, for a return showing the foremen employed at the various public works in the County of Gloucester on the 21st of September, 1911, who have been dismissed since by the present administration, containing their names, reasons of dismissal, nature of the charges made against them, also a copy of all correspondence connected with the same and reports of inquiries, in cases where such inquiries have been instituted. Presented 28th March, 1913.—*Mr. Turgeon*..... .....*Not printed*

61 (10*v*). Return to an Order of the House of the 3rd February, 1913, for a copy of all letters, telegrams, papers and documents relative to the dismissal of Captain Lyons, of the dredge *Northumberland*, and the appointment of his successor. Presented 28th March, 1913.—*Mr. Macdonald*..... .....*Not printed.*

61 (10*w*). Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all correspondence, orders in council and all other papers or documents in any way relating to the dismissal of James McCartin, from the position of inspector of the concrete work forming part of the contract for the construction of the The Plaza at the City of Ottawa Presented 28th March, 1913.—*Mr. Murphy* ....*Not printed.*

61 (10*x*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Robert C. Morrison, postmaster at St. Peters, Richmond County, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation, together with a copy of all recommendations, letters, telegrams and other papers relating to the appointment of Mr. Morrison's successor. Presented 31st March, 1913.—*Mr. Kyte.* *Not printed*

61 (10*y*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Richard Dugas, storm signal attendant at Alder Point, Nova Scotia, in the riding of North Cape Breton and Victoria. Presented 4th April, 1913.—*Mr. McKenzie.* *Not printed.*

61 (10*z*). Return to an Order of the House of the 20th January, 1913, for a return showing the names of all officials of the Marine and Fisheries Department who have been dismissed or removed in the County of Pictou, the reasons of the same, the evidence taken at any investigation held in regard to them, and the reports of said investigations, the names of their successors, and a copy of all letters, charges, complaints and recommendations from any person or persons in regard to the said removals or dismissals, or in regard to the appointment of their successors. Presented 4th April 1913.—*Mr. Macdonald*..... .....*Not printed*

CONTENTS OF VOLUME 27—*Continued.*

61 (11*a*). Return to an Order of the House of the 3rd March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of William L. Munro, lightkeeper at White Head, Guysborough County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 4th April, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (11*b*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, telegrams, correspondence, reports and documents touching the dismissals of Alexander R. McAdam as fishery officer for the County of Antigonish, N.S., and the appointment of his successor. Presented 4th April, 1913.—*Mr. Chisholm (Antigonish).* *Not printed.*

61 (11*c*). Return to an Order of the House of the 19th February, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Marine and Fisheries Department, or any department of the government, relating to the dismissal of Stephen C. Richard, lightkeeper at Charlos Cove, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 4th April, 1913—*Mr. Sinclair*.....*Not printed.*

61 (11*d*). Supplementary to an Order of the House of the 7th February, 1912, for a return showing for each department of the government the names, post office addresses, offices, employment, and salaries of all persons employed either in the inside or outside service thereof, and of such persons not in the Civil Service, employed by the government in any department, on the tenth day of October, 1911, who have been removed from office or employment by dismissal; specifying in each case the manner of and grounds of such dismissals and the length of notice given to the persons removed, and also indicating in each case whether an inquiry was or was not held prior to such dismissal. Presented 7th April, 1913.—*Mr. Kyte*.....*Not printed.*

61 (11*e*). Return to an Order of the House of the 7th December, 1912, for a return showing the public officers removed by the present government in the district of Lotbinière, with the names and duties of such persons, the reasons of their dismissal, the nature of the complaints made against them, also a copy of all correspondence relating thereto and reports of inquiries in the cases where such inquiries have been held. Presented 9th April, 1913.—*Mr. Fortier*.....*Not printed*

61 (11*f*). Return to an Order of the House of the 29th January, 1913, for a copy of all complaints and charges made against Miss Gertie Lewis, as postmistress at Main-a dieu, Cape Breton South, N.S., and of all letters, telegrams and correspondence relating in any way to her dismissal and the appointment of a successor. Presented 9th April, 1913.—*Mr. Carroll* .....*Not printed.*

61 (11*g*). Return to an Order of the House of the 11th December, 1912, for a copy of all correspondence, letters, telegrams and other documents relating to the dismissal of John Taylor, late postmaster at Carnduff, Sask., and of all reports of investigation held, &c. Presented 9th April, 1913.—*Mr. Turriff*.....*Not printed.*

61 (11*h*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Frederick Mitchell, from the position of postmaster at Dominion, Cape Breton South, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 9th April, 1913.—*Mr. Carroll.* *Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (11*i*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers, letters, telegrams and other correspondence relating to the dismissal of Thomas J. Sears, postmaster at Lochaber, N.S., and the appointment of his successor; of the evidence taken, and of the report thereon made by Commissioner Duchemin, on the charges, if any, made against the dismissed postmaster. Presented 9th April, 1913.—*Mr. Chisholm (Antigonish)*.. .. ..*Not printed.*

61 (11*j*). Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, letters, telegrams, papers and other documents in connection with the dismissal of the postmaster at Alsask, Saskatchewan. Presented 9th April, 1913.—*Mr. Knowles*.....*Not printed*

61 (11*k*). Return to an Order of the House of the 3rd March, 1913, for a copy of all letters, telegrams, instructions and other papers and documents in the possession of the Department of Marine and Fisheries, or any officer thereof, relating to the dismissal or appointment of fishery guardians or fishery officers, in the County of Guysborough, N.S., bearing date since the 10th day of October, 1911. Presented 9th April, 1913.—*Mr. Sinclair*.....*Not printed*

61 (11*l*). Return to an Order of the House of the 11th December, 1912, for a copy of all complaints and charges made against John R. Morrison, postmaster at Oban, Richmond County, N.S., and of all letters, telegrams and correspondence relating in any way to his dismissal, and the appointment of a successor. Presented 14th April, 1913.—*Mr. Kyte*.....*Not printed.*

61 (11*m*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of A. G. McDonald, postmaster of North East Margaree, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 14th April, 1913.—*Mr. Chisholm (Inverness)*..*Not printed.*

61 (11*n*). Return to an Order of the House of the 9th December, 1912, for a return showing in detail the number of dismissals from public office by the present government to this date, in the constituency of Qu'Appelle, with the names of the dismissed officers, and the reason for their dismissal, the complaints against such officials and a copy of all correspondence, petitions, papers and documents with respect to the same, and of all notes of evidence and reports of investigations in cases where they have taken place. Presented 14th April, 1913.—*Mr. Thomson (Qu'Appelle)*.....*Not printed.*

61 (11*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Marine and Fisheries or any department of the government, relating to the dismissal of David Reid, fishery officer at Port Hilford, N.S., and if there was an investigation, the names of the witnesses examined, a copy of the evidence, and a detailed statement of the expenses of each investigation. Presented 15th April, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (11*p*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Robert Musgrave, postmaster at North Sydney, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 15th April, 1913.—*Mr. McKenzie*.....*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (11*q*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of A. D. Archibald, postmaster at Glenelg, Guysborough County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 15th April, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed*

61 (11*r*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Leon N. Poirier, postmaster at Descouse, Richmond County, N.S., and of the evidence taken and of the reports of investigation held by H. P. Duchemin in regard to the same and a detailed statement of the expenss of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 15th April, 1913.—*Mr. Kyte*.....*Not printed.*

61 (11*s*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Norman McAskill, postmaster at Framboise, Richmond County, N.S., and of the evidence taken and of the report of investigation held by H. P. Duchemin in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 15th April, 1913.—*Mr. Kyte*.....*Not printed.*

61 (11*t*). Return to an Order of the House of the 11th December, 1912, for a copy of all papers, documents and correspondence relating to the dismissal of A. T. Doucet, postmaster and collector of customs at Salmon River, Digby County, N.S. Presented 15th April, 1913.—*Mr. Maclean (Halifax)*.. .. ..*Not printed.*

61 (11*u*). Return to an Order of the House of the 29th January, 1913, for a copy of all complaints and charges made against Mrs. Annie Gallivan, as postmistress at Whitney Pier, Cape Breton South, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to her dismissal and the appointment of a successor. Presented 15th April, 1913.—*Mr. Carroll*.....*Not printed.*

61 (11*v*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Wm. J. Paquet, postmaster at Souris, P.E.I. Presented 15th April, 1913.—*Mr. Hughes (Kings, P.E.I.)*.. .. ..*Not printed.*

61 (11*w*). Return to an Order of the House of the 27th January, 1913, for a copy of all documents, correspondence, petitions and recommendations, &c., relating to the dismissal of the postmaster at St. Anaclet, County of Rimouski, during the year 1912, and of the appointment of his successor. Presented 15th April, 1913.—*Mr. Lapointe (Kamouraska)*.. .. ..*Not printed*

61 (11*x*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of George Gunn, postmaster at French Village, Prince Edward Island. Presented 15th April, 1913.—*Mr. Hughes (Kings, P.E.I.)*.. .. ..*Not printed.*

61 (11*y*). Return to an Order of the House of the 4th December, 1912, for a return showing the detail and number of dismissals from public offices by the present government to this date in the riding of Mackenzie, together with the names of the dismissed occupants, the reasons for their dismissal, the complaints against such officials, and a copy of all correspondence with respect to the same, and of all reports of investigations, where any such were held. Presented 15th April, 1913.—*Mr. Cash*..*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (11*z*). Return to an Order of the House of the 7th April, 1913, for a copy of all charges investigated by Commissioner W. J. Code, and also of the evidence taken and the report made by the said commissioner. Presented 16th April, 1913.—*Mr. Murphy.*
Not printed.

61 (12*a*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. F. McLean, fishery overseer at Port Hood, Inverness County, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 16th April, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed*

61 (12*b*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of J. Scott Nelson, postmaster at Louisdale, Richmond County, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 16th April, 1913. —*Mr. Kyte*.....*Not printed*

61 (12*c*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Joseph McMullen, from the post office at Bridgeport, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 16th April, 1913.—*Mr. Carroll*....*Not printed.*

61 (12*d*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Frederick A. Martell, postmaster at L'Ardoise, Richmond County, N.S., and of the evidence taken and of the reports of investigation held by H. P. Duchemin, in regard to the same, and a detailed statement of the expenses of such investigation; and a copy of all papers relating to the appointment of his successor. Presented 16th April, 1913.—*Mr. Kyte*.....*Not printed.*

61 (12*e*). Return to an Order of the House of the 11th December, 1912, for a copy of all representations, statements and complaints as to political activity made against John A. Macdonald, postmaster at McArras Brook, Antigonish County, and of all correspondence relating to the charges made against him and of the report of Commissioner Duchemin on said charges. Presented 16th April, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

61 (12*f*). Return to an Address to His Royal Highness the Governor General of the 7th December, 1911, for a copy of all papers, correspondence and orders in council in connection with and relating to the dismissal from office of public officials from each of the departments of government since the 1st day of October last past, including both Inside and Outside Service. Presented 18th April, 1913.—*Mr. Carvell*.....*Not printed.*

61 (12*g*). Return to an Address to His Royal Highness the Governor General of the 3rd March, 1913, for a copy of all papers, documents, correspondence, evidence, order in council, &c., relative to the dismissal of Edward Doucett, sub-collector of customs, Digby County, N.S. Presented 21st April, 1913.—*Mr. McLean (Halifax).*
Not printed.

61 (12*h*). Return to an Address to His Royal Highness the Governor General of the 3rd March, 1913, for a copy of all papers, documents, correspondence, evidence, orders in council, &c., relative to the dismissal of Mr. LeBlanc, sub-collector of customs, Church Point, Digby County, N.S. Presented 21st April, 1913.—*Mr. McLean (Halifax).*
Not printed

CONTENTS OF VOLUME 27—*Continued.*

61 (12*i*). Return to an Order of the House of the 19th March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John C. Bourinot, chief customs officer at Port Hawkesbury, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 21st April, 1913.—*Mr. Chisholm (Inverness).*
Not printed.

61 (12*j*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, evidence, correspondence, letters and telegrams in the Department of Railways and Canals since the 21st day of September, 1911, relating to the dismissal of Alexander E. Morrison, Point Tupper, N.S., from the service of the Intercolonial railway, and of all recommendations for the appointment of his successor. Presented 21st April, 1913.—*Mr. Kyte*.. .. ..*Not printed*

61 (12*k*). Return to an Order of the House of the 3rd February, 1913, for a copy of all letters, telegrams, reports and other papers and documents received from the officers of the Canadian Brotherhood of Railway Employees, by the Department of Labour, or of the Department of Railways and Canals, between the 1st day of January, 1912, and the 25th day of January, 1913, relating to investigations and dismissals of employees for political partizanship, and of the replies thereto. Presented 22nd April, 1913.—*Mr. Sinclair*..... .....*Not printed.*

61 (12*l*). Return to an Order of the House of the 31st March, 1913, for a copy of all complaints and charges against James Falconer, of Newcastle, County of Northumberland, New Brunswick, as correspondent of the *Labour Gazette* at Newcastle, and of all letters, telegrams and other correspondence relating in any way to his dismissal and the appointment of a successor. Presented 22nd April, 1913.—*Mr. Loggie*..*Not printed.*

61 (12*m*). Return to an Order of the House of the 19th March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John B. Chisholm, lightkeeper at Port Hastings, Inverness County, Nova Scotia, and the evidence taken and report of investigation held by Mr. H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 24th April, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed.*

61 (12*n*). Return to an Order of the House of the 7th April, 1913, for a copy of all correspondence, telegrams, charges and other documents, relating to the dismissal of Epiphane Nadeau, immigration agent at St. Leonard, Victoria County, N.B. Presented 25th April, 1913.—*Mr. Michaud*.. .. ..*Not printed.*

61 (12*o*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of D. J. Morrison, boatman in the customs service at Big Bras D'or, North Cape Breton and Victoria, N.S., and of the evidence taken and of reports of the investigation held by H. P. Duchemin, in regard to the same, with a detailed statement of expenses of such investigation. Presented 25th April, 1913.—*Mr. McKenzie.*
Not printed

61 (12*p*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, correspondence, letters, telegrams, and other documents relative to the dismissal of Rod McLeod, boatman in the customs service at Big Bras D'or, North Cape Breton and Victoria, N.S., and of the evidence taken and of reports of the investigation held by H. P. Duchemin, in regard to the same, with a detailed statement of expenses of such investigation. Presented 25th April, 1913.—*Mr. McKenzie.*
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61 (12*q*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. McLachlin, postmaster at Marble Mountain, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 25th April, 1913.—*Mr. Chisholm (Inverness)*.. .. ..*Not printed.*

61 (12*r*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Abram LeBlanc, postmaster at West Arichat, Richmond County, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same and a detailed statement of the expenses of such investigation, and a copy of all papers relating to the appointment of his successor. Presented 25th April, 1913.—*Mr. Kyte*..... ....*Not printed.*

61 (12*s*). Return to an Order of the House of the 11th December, 1912, for a copy of all correspondence, letters, telegrams and other documents relating to the dismissal of Charles J. Lafford, postmaster at Grand Grove, Richmond County, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation. Presented 25th April, 1913.—*Mr. Kyte*..... .....*Not printed*

61 (12*t*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of W. S. Lawrence, postmaster at Margrave Harbour, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin. in regard to the same; also a detailed statement of the expenses of such investigation. Presented 25th April, 1913.—*Mr Chisholm (Inverness)*.. .. ..*Not printed.*

61 (12*u*). Return to an Order of the House of the 11th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John K. McDonald, postmaster at Whycocomagh, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 25th April, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed*

61 (12*v*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Captain P. J. Wilcox, from the customs office at Louisburg, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigations held by H. P Duchemin, in regard to the same. Presented 29th April, 1913.—*Mr. Carroll.*

Not printed

61 (12*w*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of M. J. McKennon, from the customs office at Glace Bay, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same. Presented 29th April, 1913.—*Mr. Carvell*.....*Not printed*

61 (12*x*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Captain John Arsenault, telegraph line repairer at Alder Point, Cape Breton, in the riding of North Cape Breton and Victoria, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to same, and a detailed statement of the expenses of such investigation. Presented 29th April, 1913.—*Mr. McKenzie.*

Not printed.

CONTENTS OF VOLUME 27—*Continued.*

61 (12*y*). Return to an Order of the House of the 9th December, 1912, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Mrs. John Arsenault, telegraph operator at Alder Point, N.S., in the riding of North Cape Breton and Victoria. Presented 2nd May, 1913.—*Mr. McKenzie.*
Not printed

61 (12*z*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways and Canals or any department of the government, relating to the dismissal of A. J. Wilkinson, at Mulgrave, N.S. and if there was an investigation, the names of all witnesses examined and a detailed statement of the expenses of such investigation. Presented 2nd May, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (13*a*). Charges made against Mr. H. A. Bayfield, superintendent of dredging, British Columbia.—(*Senate*).. .. ..*Not printed.*

61 (13*b*). Return to an Order of the House of the 31st March, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of H. G. McKay, lighthouse keeper at Bird Island, Big Bras D'or, North Cape Breton and Victoria, and of the evidence taken, and of reports of the investigation held by H. P. Duchemin, in regard to the same, with a detailed statement of expenses of such investigation. Presented 5th May, 1913.—*Mr. McKenzie*.....*Not printed.*

61 (13*c*). Return to an Order of the House of the 10th March, 1913, for a copy of all reports, charges, and correspondence in the office of the Department of Marine and Fisheries relating to charges of political partizanship against Michael O'Brien, lightkeeper at Bear Island, Richmond County, N.S., and of the instructions issued to H. P. Duchemin, commissioner, to investigate the same together with the Commissioner's report and finding thereon, and his expenses of holding such investigations. Presented 7th May, 1913.—*Mr. Kyte*.....*Not printed.*

61 (13*d*). Return to an Order of the House of the 17th February, 1913, for a copy of all correspondence, letters, telegrams, reports, recommendations and other documents bearing on or having relation to the dismissal of J. H. Leduc, as medical port officer of the port of Three Rivers, P.Q. Presented 7th May, 1913.—*Mr. Bureau*..*Not printed.*

61 (13*e*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Patrick Shea, postmaster at Tompkinsville, Guysborough County, N.S. Presented 7th May, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (13*f*). Return to an Order of the House of the 29th January, 1913, for a copy of all complaints and charges made against Elias Rawding, postmaster at Clementsport, Annapolis County, N.S., and of all letters, petitions, telegrams, and other correspondence relating in any way to his dismissal and the appointment of a successor. Presented 7th May, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (13*g*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Charles McLean, postmaster at Strathlorne, Inverness County, Nova Scotia Presented 7th May, 1913.—*Mr. Chisholm (Inverness)*.. .. ..*Not printed.*

61 (13*h*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Angus R. McDonald, postmaster at Broad Cove Chapel, Inverness County, Nova Scotia. Presented 7th May, 1913.—*Mr. Chisholm (Inverness)*.. ..*Not printed.*

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61 (13*i*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John McPhail, postmaster at Scotsville, Inverness County, Nova Scotia. Presented 7th May, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed.*

61 (13*j*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, telegrams, complaints, petitions or other documents of any kind received by the government, or any member or official thereof, relating to the conduct of J. Morgan, one time postmaster of the village of Ailsa Craig, Ontario, as such, and relating to an investigation into said conduct. Presented 7th May, 1913.—*Mr. Ross.*
Not printed

61 (13*k*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Roderick McLean, postmaster at Kenlock, Inverness County, Nova Scotia. Presented 8th May, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed*

61 (13*l*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Allan Gillis, postmaster at Gillisdale, South West Margaree, Inverness County, Nova Scotia. Presented 8th May, 1913.—*Mr. Chisholm (Inverness).*
Not printed.

61 (13*m*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David Shaw, postmaster at Marsh Brook, North East Margaree, Inverness County, Nova Scotia. Presented 8th May, 1913.—*Mr. Chisholm (Inverness).*
Not printed.

61 (13*n*). Return to an Order of the House of the 29th January, 1913, for a copy of all papers concerning the investigation and dismissal of Helen Joubert, postmistress at Sayabec, Quebec. Presented 8th May, 1913.—*Mr. Lemieux*.....*Not printed.*

61 (13*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, letters, and telegrams between the Honourable Postmaster General or the Post Office Department, and any person or persons, relative to the dismissal or the request therefor of D. A. Redmond, until recently postmaster at Brinston, Ontario. Presented 8th May, 1913.—*Mr. Graham*.....*Not printed.*

61 (13*p*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dan. McEachern, postmaster at McEachern's Mills, Broad Cove Chapel, Inverness County, Nova Scotia. Presented 8th May, 1913.—*Mr. Chisholm (Inverness).*
Not printed.

61 (13*q*). Return to an Order of the House of the 3rd February, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Daniel Dunlop, postmaster at New Campbellton, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of the investigation held by H. P. Duchemin, in regard to same, with a detailed statement of expense of such investigation. Presented 8th May, 1913.—*Mr. McKenzie*.....*Not printed.*

61 (13*r*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Arthur Armstrong, postmaster at Greenfield, Carleton County, N.B. Presented 8th May, 1913.—*Mr. Carvell*.....*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (13*s*). Return to an Order of the House of the 3rd February, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Alex. Matheson, postmaster at Boulardarie Centre, north riding Cape Breton and Victoria. Presented 8th May, 1913.—*Mr. McKenzie*.....*Not printed.*

61 (13*t*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Arthur Talbot, late postmaster at Robertsville, County of Megantic, Province of Quebec. Presented 8th May, 1913.—*Mr. Pacaud*.....*Not printed.*

61 (13*u*). Dismissal of N. C. Lyster, late postmaster at Lloydminster, Sask.—(*Senate*). *Not printed.*

61 (13*v*). Return to an Order of the House of the 2nd April, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Mrs. Maggie Cameron, postmistress at Achosnach, Inverness County, Nova Scotia. Presented 9th May, 1913.—*Mr. Chisholm (Inverness)*.. .. .. ..*Not printed.*

61 (13*w*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David Fraser, postmaster at North East Margaree, Inverness County, Nova Scotia. Presented 9th May, 1913.—*Mr. Chisholm (Inverness)*.. .. .. ..*Not printed.*

61 (13*x*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal and retention of W. Stayley Porter, postmaster, Port Maitland, Yarmouth County, N.S., and of the evidence taken and report of investigation held by Charles Lane, in regard to the same; also a detailed statement of expenses of such investigation. Presented 9th May, 1913.—*Mr. Law*.....*Not printed*

61 (13*y*). Return to an Order of the House of the 29th January, 1913, for a copy of all charges, telegrams and other documents relating to the dismissal of Alex. McQueen, postmaster at Kowstoke, Inverness County, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin, in regard to the same; also a detailed statement of the expenses of such investigation. Presented 9th May, 1913.—*Mr. Chisholm (Inverness)* .. ..*Not printed.*

61 (13*z*). Return to an Order of the House of the 3rd February, 1913, for a return showing the number of employees of the Department of Public Works who have been dismissed in the County of Berthier since the 21st September, 1911, giving the names of the said employees; if an inquiry was held in each case; on whose recommendation, in each case, these dismissals were made; the names of those appointed successors to these persons and on whose recommendation. Presented 12th May, 1913.—*Mr. Beland* *Not printed.*

61 (14*a*). Return to an Order of the House of the 10th February, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents in connection with the dismissal and retention of Jesse L. Morton, postmaster at Lower Argyle, N.S., and of the evidence taken and report of the investigation held by Mr. Lane, in regard to the same, also a detailed statement of the expenses of such investigation. Presented 20th May, 1913.—*Mr. Law*.....*Not printed*

61 (14*b*). Return to an Order of the House of the 10th February, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents in connection with the dismissal of Mrs. M. C. Gaudet, postmistress at West Pubnico, Yarmouth County, N.S., and of the evidence taken and report of the investigation held by Mr. Lane, in regard to same, and also a detailed statement of the expenses of such investigation Presented 20th May, 1913.—*Mr. Law*.....*Not printed.*

CONTENTS OF VOLUME 27—*Continued.*

61 (14*c*). Return to an Order of the House of the 28th April, 1913, for a copy of all charges, correspondence, telegrams, and other documents relative to the dismissal of John P. McKinnon, section foreman on the Intercolonial railway at Shubenacadie, in the riding of North Cape Breton and Victoria, N.S. Presented 20th May, 1913.—*Mr. McKenzie*.....*Not printed.*

61 (14*d*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Mary A. Bohan, as postmistress at Bath, Carleton County, N.B. Presented 21st May, 1913.—*Mr. Carvell*.....*Not printed.*

61 (14*e*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Edward Lafferty, postmaster at Benton, Carleton County, N.B. Presented 21st May, 1913.—*Mr. Carvell*.....*Not printed.*

61 (14*f*). Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, telegrams, evidence and other documents regarding the dismissal of Dennis McGaffigan, postmaster at Florenceville, Carleton County, N.B. Presented 21st May, 1913.—*Mr. Carvell*.....*Not printed.*

61 (14*g*). Return to an Order of the House of the 27th January, 1913, for a copy of all correspondence and documents bearing upon any change made or asked for in the employees of the Department of Marine and Fisheries in the County of Bonaventure between 5th December, 1912, up to date. Presented 27th May, 1913.—*Mr. Marcil (Bonaventure)*.. .. ..*Not printed.*

61 (14*h*). Return to an Order of the House of the 15th January, 1913, for a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of J. A. McKenzie, postmaster at Ashfield, Inverness County, N.S. Presented 2nd June, 1913.—*Mr. Chisholm (Inverness)*.. .. ..*Not printed.*

61 (14*i*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, reports and other papers and documents in the possession of the Post Office Department, or any department of the government, relating to the dismissal of James Bowles, postmaster at Alder River, N.S., and if there was an investigation, the names of all the witnesses examined, a copy of the evidence, and a detailed statement of the expense of such investigation. Presented 2nd June, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (14*j*). Return to an Order of the House of the 21st April, 1913, for a copy of all correspondence, complaints, reports, recommendations, petitions, certificates and other documents relating to the dismissal of Mr. Edmund Lacroix, as postmaster of the Parish of St. Joseph du Lac, County of Two Mountains, and the appointment of Rodrique Larocque, of the same place as postmaster. Presented 2nd June, 1913.—*Mr. Ethier*.....*Not printed*

61 (14*k*). Return to an Order of the House of the 26th May, 1913, for a copy of all papers, letters, documents, reports and inquiry, relating to the lighthouse keeper of the Parish of Repentigny, County of L'Assomption. Presented 3rd June, 1913.—Mr. *Seguin*.....*Not printed.*

61 (14*l*). Return to an Order of the House of the 16th April, 1913, for a copy of all papers, documents, evidence, reports, &c., relating to the dismissal of B. C. Kanock, late shipping master at Lunenburg, N.S. Presented 4th June, 1913.—*Mr. McLean (Halifax)*. *Not printed.*

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61 (14*m*). Return to an Order of the House of the 3rd March, 1913, for a copy of all complaints, accusations, correspondence, petitions and telegrams, respecting the dismissal of Ulric Thibaudeau, agent for pilots at Quebec, and of all documents respecting the appointment of his successor, such as petitions, letters of recommendation, &c., and of the evidence and report made after the inquiry held by the inquiring commissioner; and also a detailed statement of the expenses caused by this inquiry. Presented 4th June, 1913.—*Mr. Delisle*.....*Not printed.*

61 (14*n*). Supplementary return to an Order of the House of the 20th January, 1913, for a return showing the names of all officials of the Marine and Fisheries Department who have been dismissed or removed in the County of Pictou, the reasons of the same, the evidence taken at any investigation held in regard to them, and the reports of said investigations, the names of their successors, and a copy of all letters, charges, complaints and recommendations from any person or persons in regard to the said removals or dismissals, or in regard to the appointment of their successors. Presented 4th June, 1913.—*Mr. Macdonald*.....*Not printed.*

61 (14*o*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, or any department of the government relating to the dismissal of Captain Freeman Myers, postmaster at Cole Harbour, Guysborough County, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 4th June, 1913.—*Mr. Sinclair.*

Not printed

61 (14*p*). Return to an Order of the House of the 4th December, 1912, for a return showing all public officers removed by the present government in the district of St. James, Montreal, together with the names and duties of such persons, the reasons of their dismissal, the nature of the complaints brought against them, and a copy of all correspondence relating thereto, and of reports of inquiries in the cases where such have been held. Presented 4th June, 1913.—*Mr. Lapointe (Montreal)*.....*Not printed*

61 (14*q*). Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a return showing all the employees of the Dominion government in the constituency of Edmonton, dismissed between 10th of October, 1911, and 21st of November, 1912, the salary being paid to such employee at the time of his dismissal, together with a copy of all correspondence, recommendations to council, orders in council, and all other papers or documents in any way connected with such dismissals. Presented 4th June, 1913.—*Mr. Oliver*.....*Not printed.*

61 (14*r*). Return to an Order of the House of the 4th December, 1912, for a return showing the names of all officials in the district of Sunbury and Queens, who have been dismissed or removed from office since September, 1911, the reason for such dismissal or removal, the evidence taken at any investigation held in regard to them, the reports upon such investigations, the name of any successor appointed in place of dismissed officials, and a copy of all letters, charges, complaints and recommendations in regard to the said removals or dismissals, or in regard to the appointment of their successors. Presented 4th June, 1913.—*Mr. McLean (Sunbury)*.....*Not printed.*

61 (14*s*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Marine and Fisheries, or any department of the government relating to the dismissal of Levi Munroe, harbour master at

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White Head, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 4th June, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (14*t*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, or any department of the government, relating to the dismissal of Stanford Langley, postmaster at Isaac Harbour North, N.S., and if there was an investigation the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 5th June, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (14*u*). Return to an Order of the House of the 24th February, 1913, for a copy of all letters, telegrams, correspondence, charges, evidence, reports, and other documents relating to the dismissal of Hugh R. McAdam as postmaster at Arisaig, N.S., and the appointment of Reverend Daniel L. Macdonald as his successor. Presented 5th June, 1913. *Mr. Chisholm (Antigonish)*.....*Not printed.*

61 (14*v*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, or any department of the government, relating to the proposed dismissal of J. J. McNeil, at Grant's Lake, N.S., and if there was an investigation, the names of the witnesses examined and a detailed statement of the expenses of such investigation. Presented 5th June, 1913.—*Mr. Sinclair*.....*Not printed.*

61 (14*w*). Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways and Canals, or any department of the government, relating to the dismissal of Alex. McInnis, car inspector of the Intercolonial railway at Mulgrave, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. Presented 6th June, 1913.—*Mr. Sinclair*..*Not printed.*

61 (14*x*). Return to an Order of the House of the 28th April, 1913, for a copy of all charges, correspondence, telegrams, and other documents relative to the dismissal of Archibald McDonald, bridge tender on the Intercolonial railway at Grand Narrows, Iona, riding of North Cape Breton and Victoria, N.S. Presented 6th June, 1913.—*Mr. McKenzie*.....*Not printed.*

61 (14*y*). Names of all officials dismissed in Shelburne and Queens from 1st December, 1896. —(*Senate*).....*Not printed.*

62. Return to an Order of the House of the 4th December, 1912, for a return showing the number of all contracts cancelled in the County of Bonaventure since the 1st of October, 1911; the names of the contractors, the prices paid to them, the reasons for the cancellation in each case; and a copy of any investigations and reports had into the causes of such cancellations, the names of the new contractors and the prices paid to them in each case. Presented 14th January, 1913.—*Mr. Marcil (Bonaventure).* *Not printed.*

62*a*. Return to an Order of the House of the 5th December, 1912, for a return showing the number of rural mail delivery routes that have been established in Canada since the 1st January, 1912, in each province and county, respectively. Presented 14th January, 1913.—*Mr. Lemieux*.....*Not printed.*

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62*b*. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, letters, telegrams, complaints and other documents relating to the cancelling of the contract for conveying His Majesty's mails, entered into on the 1st day of January, 1912, between the Honourable Postmaster General and Mr. J. C. Beeman, of Guthrie, County of Missisquoi; together with the reason for the cancellation of this contract, the price paid to Mr. Beeman, the name of the present contractor and the price paid to him. Presented by Hon. Mr. Pelletier.—*Mr. Kay*.....*Not printed.*

62*c*. Return to an Order of the House of the 11th March, 1912, for a copy of all letters, requests, memorandums, tenders and other documents in the possession of the Post Office Department relating to the calling for tenders and the granting of the contract now in force for the carrying of the mail between Sorel and Ste. Victoire, County of Richelieu. Presented 20th January, 1913.—*Mr. Cardin*.....*Not printed.*

62*d*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, letters, telegrams, tenders, bonds, agreements, contracts and other documents in the possession of the Post Office Department relating to the letting of the contract for carrying the mails between Heatherton and Guysborough, in the year 1912; and also relating to any temporary agreement entered into prior to the date of letting such contract. Presented 21st January, 1913.—*Mr. Sinclair*.....*Not printed*

62*e*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters and other documents relating to the establishment of a rural mail service between Saltsprings and West River Station, in the County of Pictou, in the year 1912. Presented 17th February, 1913.—*Mr. Macdonald*.....*Not printed.*

62*f*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters, and other documents relating to the establishment of a rural mail delivery service between Merigonish Station, County of Pictou, and Arisaig, in the County of Antigonish, in the year 1912. Presented 17th February, 1913.—*Mr. Macdonald.*
Not printed

62*g*. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, letters, telegrams and reports regarding the termination of H. D. Decoste's contract for carrying the mails between Linwood Station and Linwood post office and the making of a new contract with D. Delorey, from the 1st January, 1913. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

62*h*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, complaints, recommendations, telegrams and reports bearing on the railway mail service in Bonaventure County from October, 1911, up to date, and on the appointment and dismissal of officers in such connection, with the names, residences, salaries and duties, as well as of all documents bearing on the suspension of the railway mail service during the period mentioned, as well as a copy of all documents referring to agreements made to meet such a contingency during the coming winter. Presented 25th March, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

62*i*. Return to an Order of the House of the 9th December, 1912, for a copy of all tenders received and the contracts entered into for the carrying of the mails between St. Andrew and Beauley, County of Antigonish, and of all letters, telegrams and correspondence on file in the Post Office Department containing any recommendation or advice regarding the awarding of such contract, or in any way referring thereto. Presented 26th March, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

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62*j*. Return to an Order of the House of the 3rd February, 1913, for a return showing what changes, if any, have been made in the contracts for the carrying of the mails in the County of Berthier, since the 21st September, 1911; in what parishes, on what date, and for what reason; to whom have the new contracts been granted, and if a tender was asked for in each case. Presented 14th April, 1913.—*Mr. Béland.*
Not printed

62*k*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, bonds, reports and other papers and documents in the possession of the Post Office Department, or any department of the government, relating to the letting of the mail contract between Guysborough and Charlos Cove, County of Guysborough, N.S., during the year 1912. Presented 28th April, 1913.—*Mr. Sinclair.*
Not printed.

62*l*. Return to an Order of the House of the 14th April, 1913, showing the names of the various railway mail clerks employed, respectively, on the Montreal and Quebec divisions and the date of the appointment and residence of each. Presented 7th May, 1913.—*Mr. Bureau* .....*Not printed.*

62*m*. Return to an Order of the House of the 9th April, 1913, for a copy of the contract entered into by the Post Office Department with the Ontario Equipment Company of Ottawa relating to the purchase of locks for mail bags. Presented 7th May, 1913.—*Mr. Carvell* .....*Not printed.*

62*n*. Return to an Order of the House of the 7th April, 1913, for a copy of all correspondence, telegrams, &c., exchanged between the Honourable the Postmaster General and Dr. Faucher, of Quebec, concerning the purchase of a certain patented lock for mail bags. Presented 7th May, 1913.—*Mr. Lapointe (Kamouraska)*.. .. .. ..*Not printed.*

62*o*. Return to an Order of the House of the 7th April, 1913, for a copy of all correspondence, telegrams, &c., exchanged between the Honourable the Postmaster General and Mr. Aimé Dion, advocate of Quebec, concerning the purchase of a certain patented lock for mail bags. Presented 7th May, 1913.—*Mr. Verville*.....*Not printed.*

62*p*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters, petitions, telegrams, complaints, reports, bonds of indemnity, and all other papers and documents in the possession of the Post Office Department, or any department of the government, relating to the contract for carrying the mails between Linwood or some point of the Intercolonial railway, County of Antigonish, N.S., and Grosvenor, County of Guysborough, N.S. Presented 9th May, 1913.—*Mr. Sinclair*....*Not printed.*

62*q*. Return to an Order of the House of the 24th April, 1913, for a return showing the full names of the mail carriers in the County of Vaudreuil and Soulanges; between what place they perform the service; the distance between each of these places; the amount of each carrier's contract, and the amount the government paid for the carriage of the mail in these different places before September, 1911. Presented 16th May, 1913.—*Mr. Boyer*.....*Not printed.*

62*r*. Return to an Order of the House of the 7th May, 1913, for a return showing the number of post offices in Yarmouth County, Nova Scotia, not served with daily mail, giving the names and the number of times per week served. Presented 20th May, 1913. —*Mr. Law*..... .... *Not printed.*

62*s*. Return to an Address to His Excellency the Administrator of the 7th April, 1913, for a copy of all orders in council, reports of experts and contracts, in connection with

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the different purchases of rural mail delivery boxes made by the Post Office Department since 1908, until 1st January, 1912. Presented 21st May, 1913.—*Mr. Lemieux.* *Not printed.*

62*t*. Return to an Order of the House of the 12th May, 1913, for a return giving the names of the post offices and of the postmasters in the Counties of Soulanges and Vaudreuil. Presented 21st May, 1913.—*Mr. Boyer*.....*Not printed.*

62*u*. Return to an Order of the House of the 5th December, 1912, for a copy of all letters, telegrams, petitions and other documents relating to the establishment of rural mail delivery routes in the County of Pictou since the 1st October, 1911, with a statement of all routes applied for, of routes established and of those refused, and the reason for their refusal. Presented 2nd June, 1913.—*Mr. Macdonald*.....*Not printed.*

62*v*. Return to an Order of the House of the 31st March, 1913, for a copy of all correspondence concerning the purchase of new locks for mail bags by the Post Office Department from the Ontario Equipment Company. Presented 4th June, 1913.—*Mr. Carvell.* *Not printed.*

62*w*. Return to an Order of the House of the 17th February, 1913, for a copy of all correspondence, letters, telegrams, memoranda, tenders, bonds and all other documents relative to the contract for the carrying of the mail between the post office and Canadian Pacific Railway station at Three Rivers and vice versa, since the eleventh day of October, 1911, to date. Presented 4th June, 1913.—*Mr. Tobin*.....*Not printed.*

62*x*. Return to an Order of the House of the 21st April, 1913, for a copy of all correspondence, telegrams, complaints, affidavits, reports, recommendations, requests, certificates, contracts and other documents relating to the cancelled contract of M. E. Bougie, for carrying the mails between the post office and railway station at Bromptonville, Quebec. Presented 4th June, 1913.—*Mr. Bureau*.....*Not printed.*

63. Return to an Order of the House of the 4th December, 1912, for a return showing all the new post offices opened in the County of Bonaventure, since October, 1911, up to date, and a copy of the correspondence in connection therewith, together with the names of such post offices and postmasters, and the location of such offices; and also a copy of all papers asking for such offices. Presented 14th January, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

64. Return to an Order of the House of the 9th December, 1912, for a copy of all petitions, correspondence, memoranda, recommendations and other papers or documents in the possession of the Department of Marine and Fisheries relating to the proposals to supply medicine or medical attendance free, or otherwise, to Canadian boat fishermen. Presented 14th January, 1913.—*Mr. Sinclair*.....*Not printed*

65. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, petitions, complaints, memoranda, reports and investigations regarding the service performed by the steamer *Canada*, owned by the Inter-Provincial Navigation Company of Fraserville, Quebec, since October, 1911, up to date, and also of all documents bearing on the present contract with the Department of Trade and Commerce, or the renewal or extension thereof. Presented 14th January, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed*

66. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, telegrams, letters, &c., relating to the matter of the establishment of a lobster hatchery at Spry Bay, Halifax County, N.S. Presented 14th January, 1913. —*Mr. Maclean (Halifax)*.....*Not printed.*

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67. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, telegrams, &c., between the Department of Trade and Commerce and any company, person or persons, relative to the continuance and payment of a subsidy towards a steamship service between St. John, N.B., and Bear River, N.S., for the fiscal year 1912, and performed during the fiscal year 1911. Presented 17th January 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

67*a*. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, documents, memoranda, letters, telegrams and documents bearing on a request for a subsidy for a steam service between Bonaventure, Quebec, or any other part of Bonaventure County and Bathurst, New Brunswick, or any other part of Gloucester County, New Brunswick, and between New Richmond, Quebec, and Dalhousie, New Brunswick, and between Carleton and Miguasha, Quebec, and Dalhousie, New Brunswick, or Campbellton, New Brunswick, or both, as well as a copy of all replies made for such subsidies and this since October, 1911, to date. Presented 14th January, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

67*b*. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all advertisements, tenders, contracts, orders in council memoranda, papers, letters and correspondence in any way relating to a subsidized steamship service between Canadian ports and any ports of the British West Indies, or any proposed improvement or extension of such steamship service since 1st November, 1911 to the present time. Presented 15th January, 1913.....*Not printed.*

67*c*. Return to an Order of the House of the 4th December, 1912, for a copy of all reports made by officials of the Department of Railways and Canals on the Quebec and Oriental railway, and the Atlantic, Quebec and Western railways, together with a statement of the subsidies paid such railways since October, 1911, up to date, and a copy of all correspondence in that connection. Presented 17th January, 1913.—*Mr Marcil (Bonaventure)*.....*Not printed*

67*d*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence between the Minister of Railways or any other member of the government and any person regarding the acquisition by the government of Canada of the Quebec Oriental railway, formerly the Atlantic and Lake Superior railway, and the Atlantic, Quebec and Western railway, or both. Presented 27th January, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

67*e*. Return to an Order of the House of the 29th January, 1913, for a copy of the report made to the Minister of Railways and Canals by the party of government engineers who inspected the Quebec and Saguenay railway during December, 1912, January, 1913. Presented 27th February, 1913.—*Mr. Lemieux*.....*Not printed.*

67*f*. Return to an Order of the House of the 17th February, 1913, for a copy of all reports made by any engineers or accountants to the Minister of Railways and Canals on the usefulness of the Atlantic, Quebec and Western railway and the Quebec Oriental railway, to the Intercolonial railway as branch lines or feeders. Presented 27th February, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

67*g*. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, documents, petitions, orders in Council, memoranda, correspondence, &c., by and between the government of Canada or any member thereof, and the government of the province of British Columbia, or any member thereof, since 1st May, 1912, relating to the subject to an increase of the provincial subsidy to the said province. Presented 16th April, 1913.—*Mr. Maclean (Halifax).*

Printed for sessional papers.

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67*h*. Return to an Address to His Royal Highness the Governor General of the 20th January, 1913, for a copy of all documents and memorials of the government of British Columbia presenting claims for additional provincial subsidies, and of all correspondence and orders in council on the same. Presented 16th April, 1913.—*Sir Wilfrid Laurier*..... .....*Printed for sessional papers.*

67*i*. Copy of agreement made with the several provinces as to the expenditure of the subsidies granted under the Agricultural Aid Act, and statement showing the purposes for which said subsidies are to be expended. Presented 6th June, 1913, by Hon. Mr Burrell.... ....*Not printed*

68. Copies of general orders promulgated to the militia for the period between 2nd November, 1911, and 5th November, 1911. Presented by Hon. Mr. Hughes, 14th January, 1913. *Not printed.*

69. Return to an Address to His Excellency the Right Honourable Sir Charles Fitzpatrick, P.C., &c., administrator, of the 31st March, 1913, for a copy of all papers, documents, petitions, letters, telegrams, orders in council and other papers and documents in possession of the Department of Customs, relating to the duty payable on twine used for fishing purposes, and especially relating to the construction placed upon item 682 of the Customs Tariff. Presented 23rd May, 1913.—*Mr. Sinclair*.....*Not printed.*

70. Return to an Order of the House of the 30th November, 1912, for a return showing:—

1. The date when the present Canadian Pure Food Act, now known as the Adulteration Act, R.S.C., was enacted.

2. What foods, beverages or drugs have standards of strength and purity under the Act been fixed, and what are the dates when such standards become operative.

3. What foods, beverages or drugs have standards of strength and purity been prepared and recommended from time to time by the chief analyst, which have not been put in force, and why were such standards not put in force.

4. How many cases of adulteration together with cases which show standards of quality below those required by the Adulteration Act, have been ascertained by the Dominion analyst since the said Act came into operation.

5. In how many of such cases did prosecutions under the Act or under the Criminal Code follow, and in how many cases were convictions secured. Presented 14th January, 1913.—*Mr. McDonnell*..... .....*Not printed.*

71. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, negotiations, propcsals in writing and other papers and documents in the possession of the government, or any department thereof, relating to reciprocity in trade with the United States, bearing date between the 1st day of January, 1890, and the 31st day of December, 1892. Presented 14th January, 1913.—*Mr. Sinclair.* *Not printed*

72. Return to an Order of the House of the 4th December, 1912, for a copy of all letters, telegrams, &c., exchanged between the member for Bellechasse County and the Minister of Agriculture and the Postmaster General, concerning the appointment of an additional physician at the quarantine station of Grosse Ile. Presented 14th January, 1913.—*Mr. Lemieux*..... .....*Not printed.*

72*a*. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, documents, recommendations and reports concerning the appointment of Doctor Pomminville, to the position of surgeon of the St. Vincent de Paul penitentiary, replacing Doctor A. Allaire. Presented 24th January, 1913.—*Mr. Wilson (Laval)*..... ....*Not printed.*

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72*b*. Return to an Order of the House of the 10th December, 1912, for a copy of all letters, telegrams, correspondence and other documents relating to the appointment of Charles W. Hatfield, fishery officer on the Tusket River, Yarmouth County, N.S. Presented 27th January, 1913.—*Mr. Law*.....*Not printed.*

72*c*. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, letters, requests, telegrams and other documents relating to the appointment of Louis Nadeau as postmaster at Ste. Christine, County of Bagot. Presented 4th February, 1913.—*Mr. Marcil*.....*Not printed.*

72*d*. Return to an Order of the House of the 29th January, 1913, for a copy of all orders letters, telegrams and other documents in connection with the appointment of Lt.-Col. Warburton, as administrative medical officer at the Charlottetown camp in 1912, and of all letters and telegrams asking for a change in the said appointment, and of all orders and other documents relating to his being superseded, and to the appointment of his junior, Lt.-Col. Jenkins, in his place. Presented 13th February, 1913.—*Mr. Macdonald*.....*Not printed.*

72*e*. Return to an Order of the House of the 27th January, 1913, for a copy of all documents, letters, correspondence, recommendations, reports, &c., relating to the appointment of Mr. J. Begin as manager of the experimental farm at Ste. Anne de la Pocatière. Presented 13th February, 1913.—*Mr. Lapointe (Kamouraska)*....*Not printed.*

72*f*. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence exchanged between Dr. Marcotte, M. Lavallée, M.P., the Honourable the Postmaster General and the Minister of Agriculture, concerning the appointment of an additional medical officer at Grosse Isle quarantine station. Presented 19th February, 1913.—*Mr. Lemieux*.. .. ..*Not printed.*

72*g*. Return to an Order of the House of the 3rd March, 1913, for a copy of all letters, telegrams, recommendations and other papers in connection with the appointment of John Macdonald as Inspector of Inland Revenue for the Maritime Provinces, and of all letters, telegrams, applications, recommendations and other papers received from any other person or persons relative to the applications of other persons for the position. Presented 17th March, 1913.—*Mr. Macdonald*.....*Not printed.*

72*h*. Return to an Order of the House of the 17th February, 1913, for a copy of all letters, petitions, telegrams, recommendations and other papers and documents, in the possession of the Department of Marine and Fisheries, or any department of the government, relating to the appointment of F. W. Kelley, M.D., as port physician at Bridgewater, N.S. Presented 18th March, 1913.—*Mr. Law*.....*Not printed*

72*i*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a return showing all appointments to office under the Dominion government in the constituency of Edmonton from 10th October, 1911, to 21st November, 1912, with a statement of the salaries in each case, together with a copy of all correspondence, recommendation to council, orders in council, and all other papers or documents in any way connected with such appointments. Presented 28th March, 1913.—*Mr. Oliver* .....*Not printed.*

72*j*. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, recommendations, reports, memoranda and other documents bearing on the appointment of a general foreman, or other permanent or temporary officials, of the Department of Public Works in the County of Bonaventure since October, 1911, up to date, with the names, residences, duties and salaries of such appointees. Presented 2nd May, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

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72*k*. Appointment of Mr. McCloskie as postmaster at Waukau, British Columbia.—*(Senate)* *Not printed.*

73. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a return showing all changes made in the Customs Tariff of Canada by order in council since the close of last session of parliament. Presented 14th January, 1913.....*Not printed.*

74. Return to an Order of the House of the 9th December, 1912, for a return showing the quantity and value of molasses of cane, as defined in tariff item No. 137a, imported into Canada for the fiscal year ending 31st March, 1912, from each island of the British West Indies, which are parties to the Canada-West India Trade Agreement. Presented 14th January, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

75. Letter of the Honourable F. D. Monk, M.P., to the Right Honourable the Prime Minister, resigning his position as Minister of Public Works, and the letter of the Prime Minister in acknowledgment thereof. Presented by Hon. Mr. Borden, 14th January, 1913.....*Not printed.*

75*a*. Return to an Order of the House of the 26th May, 1913, for a copy of all letters, reports, documents and all other communications relating to the appointment of Colonel Crowe as Commandant of the Royal Military College and to his resignation of said position, or to the extension of his term of service or to the termination thereof, and of all papers or letters passing between the minister and Colonel Crowe, relative to his resignation or the failure to extend his term of service. Presented 3rd June, 1913.—*Mr. Macdonald*.....*Not printed*

75*b*. Return to an Order of the House of the 26th May, 1913, for a copy of all letters, reports, complaints and other communications and documents which passed between General McKenzie and the Minister of Militia or his department, previous to, and which led up to the resignation of General McKenzie; and also a copy of said resignation, and the reply of the minister thereto, and of any and all communications had with the War Office thereto, and of all other papers and documents in connection therewith. Presented 4th June, 1913.—*Mr. Macdonald*.....*Not printed.*

76. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, letters, telegrams, complaints and reports, bearing on the delay in the payment of census enumerators in the County of Bonaventure, in connection with the last census, together with the names, residences, amounts, and dates of payment. Presented 15th January, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

77. Report of departmental commission on the official statistics of Canada. Presented 15th January, 1913 .....*Printed for distribution only.*

78. Return to an Order of the House of the 18th March, 1912, for a copy of all correspondence in the possession of the Postmaster General respecting the change of name of Broderick post office in the Province of Saskatchewan, to St. Aldwyn. Presented 15th January, 1913.....*Not printed.*

78*a*. Return to an Order of the House of the 30th November, 1911, for a copy of all papers, telegrams, letters, &c., between the Postmaster General and any other person respecting the closing or removal of the present post office at Spry Bay, Halifax County. Presented 20th January, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

79. Report of the commissioner Dominion Police Force, for the year 1912. Presented by Hon. Mr. Foster, 15th January, 1913.....*Not printed.*

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80. Return to an Order of the House of the 9th December, 1912, for a copy of all correspondence, complaints, reports and all documents relating to the cancelling of lease No. 18778, consented to by the Honourable Minister of Railways and Canals, to Aurile Lebœuf, on the 12th December, 1910.—Presented 16th January, 1913.—*Mr. Papineau.*
Not printed

81. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of all orders in council passed since 1st October, A.D. 1911, relating to the Board of Management of the Government Railways of Canada, or of any other member thereof, or in any way affecting the same, or any official of the Intercolonial Railway, as regards the duties to be performed or the powers to be exercised by the said Board or any member thereof, or by any such official, together with a copy of all recommendations, letters, applications, instructions, or other correspondence, in any manner relating thereto or having regard to the said orders in council as to the management of the Intercolonial railway. Presented 17th January, 1913.—*Mr. Emmerson*.....*Not printed*

81*a*. Return to an Address to His Royal Highness the Governor General of the 4th December, 1912, for a copy of a certain Order in Council issued during the current year by which certain official reports formerly made to Board of Management of the Intercolonial Railway have been ordered in future to be made to Mr. F. P. Brady. Presented 17th January, 1913.—*Mr. Sinclair*.....*Not printed.*

82. Return to an Order of the House of the 5th December, 1912, for a copy of all papers, including surveys, tenders, and every other record, or document in the possession of the Department of Railways and Canals or any other department of the government relating to the building of a line of railway from Estmere, County of Victoria, Province of Nova Scotia, to the town of Baddeck in the same county. Presented 17th January, 1913.—*Mr. McKenzie*.....*Not printed.*

83. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all documents, papers, tenders, contracts, orders in council and correspondence in connection with the supply of castings for and the purchase of scrap iron from the eastern division of the Intercolonial Railway since 1st May, 1912. Presented 17th January, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

83*a*. Return to an Order of the House of the 9th December, 1912, for a return showing the names of the employees on the dining cars of the Intercolonial Railway and the nature of their employment; and also of the employees on the Pullman cars of the Intercolonial Railway and the nature of their employment. Presented 17th January, 1913. —*Mr. Boulay*.....*Not printed.*

83*b*. Return to an Order of the House of the 9th December, 1912, for a copy of all papers documents, telegrams, letters, &c., relating to a strike of temporary employees of the Intercolonial Railway at Halifax, in August, 1912. Presented 27th January, 1913.—*Mr. Mclean (Halifax)*.....*Not printed.*

83*c*. Return to an Order of the House of the 10th December, 1912, for a copy of all evidence plans, reports, correspondence, &c., respecting an inquiry held concerning an accident on the Intercolonial Railway at St. André de Kamouraska on 7th October, 1912, caused by train No. 33, the maritime express going west. Presented 27th January, 1913.—*Mr. Lapointe (Kamouraska)*.....*Not printed.*

83*d*. Return to an Order of the House, of the 29th January, 1913, for a copy of the evidence taken at the inquiry held in the month of November, 1912, by Mr. MacDonald

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superintendent of the Intercolonial at Lévis, in reference to Alfred Laugnay, an employee of the Intercolonial at St. Charles, County of Bellechasse. Presented 27th February, 1913.—*Mr. Lapointe (Kamouraska)*.....*Not printed.*

83*e*. Return to an Order of the House of the 19th February, 1913, for a copy of all telegrams, letters, petitions, reports of engineers, plans, surveys, and other documents in the possession of the Department of Railways and Canals, and having been received since 1st January, 1912, relating to the construction of a branch line of the Intercolonial Railway into Guysborough County. Presented 18th March, 1913.—*Mr. Sinclair*.....*Not printed.*

83*f*. Return to an Order of the House of the 24th February, 1913, for a copy of all petitions, resolutions, letters, telegrams and correspondence, relating to free or reduced transportation of hay over the Intercolonial Railway for the farmers of Antigonish County, Nova Scotia, and also of the evidence taken and report made as to the shortage of hay in that and other of the eastern counties of Nova Scotia. Presented 18th March, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

83*g*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters telegrams, tenders, acceptances of tenders, cancellation of tenders and other papers and documents in the possession of the Department of Railways and Canals, or any department of the government, bearing date after 1st July, 1912, relating to the supply of ice for the use of the Intercolonial Railway at Mulgrave, N.S. Presented 18th March, 1913.—*Mr. Sinclair*.....*Not printed.*

83*h*. Return to an Order of the House of the 12th February, 1913, for a copy of all letters correspondence, petitions and other documents, on file in the Department of Railways and Canals, or in the office of the Intercolonial Railway at Moncton, relating or in any way appertaining to the new public wharf at Sackville, N.B., and the necessity of establishing in the interest of the traffic of the Intercolonial Railway, and of the shipping and trade facilities of Sackville, and of the commerce of communities adjacent thereto, rail connections between the said wharf and the main line of the said railways at Sackville station; also of all letters and other communications received by the chairman or vice-chairman of the Government Railways Managing Board, or by any official of the said railway, relating in any manner to the said subject, received by them or any of them during the years 1911, 1912 and 1913. Presented 19th March, 1913.—*Mr. Emmerson*.....*Not printed*

83*i*. Return to Order of the House of the 19th March, 1913, for a return showing who the tenderers were, and the amount of each tender for the supply of castings for the Intercolonial Railway during the present year. Presented 28th March, 1913.—*Mr. Macdonald*.....*Not printed.*

83*j*. Return to an Order of the House of the 19th March, 1913, for a return showing how many kegs of nails were purchased in 1912 for the Intercolonial Railway; the prices paid therefor in each case; whether tenders were invited in the case of each purchase and, if so, who the respective tenderers were and the prices submitted; to whom were the contracts awarded in each case. Presented 28th March, 1913.—*Mr. Murphy.*
Not printed.

83*k*. Return to an Order of the House of the 19th March, 1913, for a return showing the amounts received by the Intercolonial Railway for freight and passengers respectively for each of the twelve months of the calendar years 1910, 1911 and 1912, at the following stations:—Montreal, Halifax, St. John, Sydney, Truro, Moncton, New Glasgow

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and Amherst; also, the total receipts of the said railway for freight and passengers respectively during each of the said years. Presented 28th March, 1913.—*Mr. Rhodes.*
Not printed.

83*l*. Return to an Order of the House of the 20th January, 1913, for a copy of all letters correspondence, telegrams, representations, requests and reports on file in the Department of Railways and Canals, or in the offices of the Intercolonial Railway at Moncton, or among the records of the Government Railways Managing Board, or in the office of the assistant chairman of the Government Railways Managing Board, relating to or in any way connected with the water supply system at Dorchester station on the Intercolonial railway, or relating to the absence of and the total failure to provide a supply of water for drinking or other purposes at that station, or in connection with the dwelling of the station agent in the Station House; and also of all correspondence, letters, requests, recommendations and reports relating to the alleged necessity of additional clerical or other help or assistance at the station. Presented 21st April, 1913.—*Mr. Emmerson*.....*Not printed.*

83*m*. Return to an Order of the House of the 12th February, 1913, for a copy of all correspondence, letters, telegrams, reports and other papers on file in the Department of Railways and Canals, or in the offices of the Intercolonial Railway at Moncton, relating to M. L. Tracy, an employee of the mechanical department of the Intercolonial during the years 1899 and 1900, and of all letters and correspondence relating to the case of the said M. L. Tracy, passing between the then Minister of Railways and Canals and any of the officials of the railway, during those years; also a copy of the letters of D. Pottinger, then general manager, the late James E. Price, then general superintendent, and the late M. Jarvis, then a divisional superintendent of said railway, relating to the same subject during the said period of 1899 and 1900. Presented 21st April, 1913.—*Mr. Emmerson*.....*Not printed.*

83*n*. Return to an Order of the House of the 3rd March, 1913, for a statement of all amounts collected by the Intercolonial Railway for freight on hay carried from Amherst and other stations on the Intercolonial, County of Cumberland, to Antigonish, N.S., and consigned to C. Edgar Whidden or C. B. Whidden & Son, in the month of January last and February instant, and by whom such freight was paid; also a copy of all way bills and bills of lading for the same. Presented 21st April, 1913. —*Mr. Chisholm (Antigonish)*.....*Not printed.*

83*o*. Return to an Order of the House of the 3rd February, 1913, for a copy of all letters petitions, telegrams, complaints, communications, reports and other papers and documents, received since the 1st day of October, 1911, by and now in the possession of the Department of Railways and Canals, the Government Railway Managing Board or any official of the Intercolonial Railway or of the Prince Edward Island railway, relating to or in any manner appertaining to an application for, or a proposed reduction of the working hours for the Intercolonial railway employees at Moncton, or at any other point of the Intercolonial railway or the Prince Edward Island railway. Presented 21st April, 1913.—*Mr. Emmerson*.....*Not printed.*

83*p*. Return to an Order of the House of the 24th February, 1913, for a copy of all complaints, requirements, requisitions, petitions, and correspondence of all kinds made by the Sydney, N.S., Board of Trade, or by the citizens of the city of Sydney, or any of them, having reference to better and increased facilities on the Intercolonial Railway on the Sydney division. Presented 21st April, 1913.—*Mr. Carroll.*
Not printed.

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83*q*. Return to an Order of the House of the 31st March, 1913, for a copy of all letters, papers and other documents relating to the claim for damages for the death of the young son of Thomas Hoare, who was killed at a crossing of the Intercolonial Railway in the town of Stellarton in the summer of 1912, and of all petitions, letters, and other papers asking for the placing of gates or other protection at said crossing. Presented 1st April, 1913.—*Mr. Macdonald*.....*Not printed.*

83*r*. Return to an Order of the House of the 14th April, 1913, for a copy of all correspondence exchanged between the Department of Railways and Canals at Moncton and the same department at Campbellton, on the subject of the collision which occurred at St. Moise, during the month of February, 1913, between the trains of E. Smith and the regular train No. 99, omitting from it the inquiry held in the matter. Presented 29th April, 1913.—*Mr. Boulay*.....*Not printed.*

83*s*. Return to an Order of the House of the 7th April, 1913, for a return showing the names, residences and occupations of all the employees of the Intercolonial Railway who have been dismissed in the County of Rimouski since the 21st September, 1911. Presented 29th April, 1913.—*Mr. Lapointe (Kamouraska)*.....*Not printed.*

83*t*. Certified copy of a report of the Privy Council of the 5th May, 1913, covering the appointment of Frederick Passmore Gutelius, as general manager of Government Railways. Presented by Hon. Mr. Cochrane, 7th May, 1913... .. .. ..*Not printed.*

83*u*. Return to an Order of the House of the 31st March, 1913, for a copy of all letters, memorials, petitions, correspondence, reports and other documents in the Department of the Postmaster General, or on file therein, relating or in any wise appertaining to the inauguration or establishing of railway mail facilities between Moncton, N.B., westward over the Intercolonial Railway towards St. John, in the morning, so as to furnish, among other things, opportunities for the transmission of newspapers and other mail matter, along said railway, to make morning connection with the railway mail facilities afforded by the railway from Salisbury, Westmorland County, N.B., running into Albert County, N.B.; and also relating to the establishment of railway mail facilities on each week day evening between Moncton eastward over the said railway by train known as number 84, running between Moncton, N.B., and Springhill Junction, Nova Scotia, thus affording the direct mail connection for newspapers and other mail matter each evening from Moncton to Shediac, Memramcook, Dorchester, Sackville, Amherst, and intermediate points east of Moncton; together with a statement showing what, if any, such railway mail facilities, either by locked bag or otherwise, were established or furnished over either of the said routes, and stating the respective dates when the same were so established or furnished generally, or in relation to any one of the newspapers published in Moncton, either in the morning or in the evening. Presented 12th May, 1913.—*Mr. Emmerson*.....*Not printed.*

83*v*. Return showing whether any contract has been made for the construction or supply of cars of any kind to the Intercolonial Railway since 1st January, 1913, and if so, to whom the contract was awarded; the number of cars, kind or class, and the price to be paid; whether any tenders were called for previous to awarding said contract, and if so, who the tenderers were, the amount of the tender in each case, and if tenders were calld for by private request or public advertisement. Presented 21st May, 1913. —*Mr. Macdonald*.....*Not printed.*

83*w*. Return to an Order of the House of the 28th April, 1913, for a return showing all amounts collected by the Intercolonial Railway for freight on hay shipped from Amherst and other stations on the Intercolonial, in the County of Cumberland, to Antigonish and other stations in the County of Antigonish, during the months of

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January, February and March last; the name of the consigners and of the consignees, the amount of freight paid on each shipment and by whom paid; also a copy of all way-bills and bills of lading for same. Presented 6th June, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

84. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, documents, memoranda, orders in council, letters and correspondence, relating in any way to the closing of the Canadian Immigration Office at Boston, U.S.A., in 1911, and its subsequent re-establishment. Presented 17th January, 1913.—*Mr. McLean (Halifax)*.....*Not printed*

85. Copies of despatches dated 11th December, 1912, which have been addressed to the Governors General of the Commonwealth of Australia and the Union of South Africa and the Governors of New Zealand and Newfoundland, on the subject of representation of the self-governing Dominions on the Committee of Imperial Defence. Presented by Hon. Mr. Borden, 17th January, 1913.....*Not printed.*

86. Reports in connection with the Tides and Currents of Northumberland Strait.—(*Senate*).....*Not printed.*

87. Archives Branch, *re* transferring of from Department of Agriculture to Secretary of State.—(*Senate*).....*Not printed.*

88. Commission appointed to investigate Indian reserves of British Columbia.—(*Senate*). *Not printed.*

89. Insurance rates between Canadian Atlantic ports, and ports in the United Kingdom.—(*Senate*) .....*Printed for distribution and sessional papers.*

90. Report of departmental commission relating to official statistics of Canada.—(*Senate*). *Printe d for distribution only.*

91. Copy of the Sixth Joint Report of the Commissioners for the Demarcation of the Meridian of the 141st degree of west longitude. Presented by Hon. Mr. Roche, 21st January, 1913.....*Not printed.*

92. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, petitions, memoranda, correspondence, &c., with the Government of British Columbia or any member thereof, with the fishery officers of the Marine and Fisheries Department resident in said province, with salmon canneries in said province, and with any company, person or persons, relating to the prohibition of the export of sockeye salmon from the said province of British Columbia since 15th October, 1911. Presented 20th January, 1913.—*Mr. Maclean (Halifax)*....*Not printed.*

93. Return to an Order of the House of the 20th March, 1912, for a copy of all correspondence and memoranda on the subject of cable rates, exchanged between the Canadian Post Office Department and the British Post Office Department. Presented 20th January, 1913.—*Mr. Lemieux*.....*Not printed.*

94. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, documents, letters, &c., between the Government of Canada and the Commonwealth of Australia for the past twelve months relative to the matter of preferential tariff arrangements between the said two countries. Presented 21st January, 1913.—*Mr. Maclean (Halifax)*..*Printed for sessional papers only.*

95. Report of Mr. Olivar Asselin on an investigation of Belgian and French emigration to Canada. Presented by Hon. Mr. Roche, 21st January, 1913.
Printed for distribution and sessional papers.

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95a. Return to an Order of the House of the 4th December, 1912, for a copy of all com plaints, letters, papers, reports, and of all documents bearing on the investigation held at Port Daniel West, Quebec, into the conduct of Edward Dea, as overseer or guardian of the lobster hatchery at that place. Presented 22nd January, 1913.—*Mr. Marcil* .....*Not printed.*

95b. Report of R. A. Pringle, Esq., K.C., in relation to the investigation of the wreck of the steamer *Mayflower*, on the 12th November, 1912. Presented by Hon. Mr. Hazen, 6th February, 1913.....*Not printed.*

95c. Return to an Address to His Royal Highness the Governor General of the 29th January, 1913, for a copy of the report of the commission appointed to investigate complaints against the United Shoe Machinery Company, together with the order in council appointing the commission, the complaints upon which the order was issued and all action, if any, taken by the government on report of commission, by order in council or otherwise. Presented 11th February, 1913.—*Sir Wilfrid Laurier.*
Not printed

95d. Return to an Order of the House of the 20th January, 1913, for a copy of all evidence, letters, telegrams and other documents in connection with the investigation into the stranding of the D. G. steamer *Earl Grey* at Toney River, County of Pictou, in the spring of 1912; of the reports of the commissioner investigating the same, and of all correspondence, telegrams and documents in connection therewith, and of any departmental action in connection therewith. Presented 18th March, 1913.—*Mr. Macdonald.*
Not printed

95e. Return to an Order of the House of the 27th January, 1913, for a copy of all letters, papers, evidence and other documents in connection with the investigation into the collision between the steamship *City of Sydney* and the tug boat *Douglas H. Thomas*, in Sydney Harbour, 13th November, 1912, and of the findings and reports of the commissioner holding the investigation in regard to the same. Presented 2nd April, 1913.—*Mr. Macdonald*.....*Not printed.*

96. Report of the Second International Moral Education Congress held at the Hague, 22nd to 27th of August, 1912, and as related thereto, on moral instruction in the Canadian public schools, &c., by Mr. J. A. M. Aikins, who was appointed by the government to represent Canada at that Congress. Presented by Hon. Mr. Borden, 21st January, 1913.....*Printed for distribution only.*

97. Return to an Order of the House of the 4th December, 1912, for a copy of all pay-lists, letters, documents, letters and other papers in connection with the expenditures at Cariboo Island in the County of Pictou. Presented 21st January, 1913.—*Mr Macdonald* .....*Not printed.*

98. Return to an Order of the House of the 22nd January, 1913, for a copy of all correspondence, letters and telegrams between the Minister of Marine and Fisheries, or any officer of his department, and J. A. Gillies, K.C., Sydney, relating to the purchase from John B. Nicholson, of a site for a salmon hatchery at Snidlope Lake, Richmond County, N.S., and also of all accounts, charges and vouchers received from the said J. A. Gillies, for services in connection therewith and the payments made to the said J. A. Gillies in respect of the same. Presented 7th February, 1913.—*Mr. Kyte.*
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

99. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents and correspondence, between the Department of Public Works and any person or persons relating to the placing of obstructions in the waters of South West Cove, Lunenburg County, N.S. Presented 24th January, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

100. Return to an Order of the House of the 4th December, 1912, for a copy of all pay-lists, letters, documents, telegrams and other papers in connection with the expenditures at Skinner's Cove in the County of Pictou. Presented 24th January, 1913.—*Mr. Macdonald* .....*Not printed.*

101. Return to an Address to His Royal Highness the Governor General of the 22nd January, 1912, for a copy of all correspondence between the government of Canada and the government of the Province of Ontario, with regard to the extension of the boundaries of the said province. Presented 28th January, 1913.—*Sir Wilfrid Laurier.* *Not printed.*

102. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, reports, and documents, bearing on the claim of C. R. Scoles, of New Carlisle, Quebec, to a balance of subsidy voted to the Atlantic and Lake Superior railway, since October, 1911, to date. Presented 24th January, 1913.—*Mr. Marcil.* *Not printed.*

103. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, letters, telegrams, reports and other documents concerning an alleged defalcation in the accounts of Joseph J. Melanson, clerk in the customs office at Bathurst, County of Gloucester, which caused an inquiry to be held on the 23rd of October last by the Provincial Inspector of Customs, with the name of the accuser. Presented 24th January, 1913.—*Mr. Turgeon*.....*Not printed.*

104. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, letters and telegrams in the custody of the Department of Railways and Canals, or any other department of the government, between the 1st day of September, 1874, and the 1st day of September, 1879, relating to the acquisition or expropriation of lands at St. Peters, N.S., for canal purposes, and relating to the appointment of valuators to apprise the value of such lands; the instructions to such valuators, the report or reports of such valuators, the area of lands taken, and the price paid for same; and also the amount paid each valuator for his services. Presented 27th January, 1913.—*Mr. Kyte*.....*Not printed.*

105. Return to an Order of the House of the 4th December, 1912, for a copy of all the different freight tariffs in force on the line of railway from Matapedia, Quebec, to New Carlisle, Quebec, and from New Carlisle, to Gascons, Quebec, and vice versa, and of any requests that have been received in regard to the change in the same; and also a copy of any requests, petitions, letters, or other documents complaining of the said tariffs. Presented 27th January, 1913.—*Mr. Marcil (Bonaventure).* *Not printed.*

105*a*. Return to an Order of the House of the 10th December, 1912, for a copy of the different freight tariffs in force on the line of railway from Sunny Brae to Ferrona Junction, on the Intercolonial Railway, and of any requests that have been received in regard to the change in the same, and also a copy of any requests, petitions, letters or other documents complaining of said tariff. Presented 27th January, 1913. —*Mr. Sinclair*.....*Not printed.*

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106. Return to an Order of the House of the 5th December, 1912, for a copy of the original instructions, including maps, specifications, profiles, &c., furnished the engineers on the eastern division of the Transcontinental railway between Winnipeg and Quebec by the chief engineer of the Transcontinental Commission, and approved by the Grand Trunk Pacific Railway Company. Also of all instructions, including specifications and profiles, issued by the chief engineer of the Transcontinental Commission or by the chairman, since 31st October, 1911, which in any way vary, amend, or depart from the original instructions above mentioned. Also, of all correspondence between the Minister of Railways or any official of his department and the chairman of the Transcontinental Commission, or the chief engineer, concerning the departure from the original instructions, either as to the grades, curves and bridges or other permanent structures. Also a copy of all correspondence between the Minister of Railways or any member of the government and any official of the Grand Trunk Pacific Railway Company referring to change of original instructions as regards grades, curves or permanent structures on the said line between Winnipeg and Quebec; and also of all correspondence between the chairman of the Transcontinental Commission or the chief engineer and any official of the Grand Trunk Pacific Railway Company, or any member of its engineering staff, concerning the proposed change of grades, curves, or other permanent structures on the line of the Transcontinental between Winnipeg and the City of Quebec. Presented 30th January, 1913—*Mr. Graham.*

Not printed.

106*a*. Return to an Order of the House of the 7th May, 1913, for a copy of a letter, dated 24th September, 1904, written by Chief Engineer Lumsden of the Transcontinental Commission to Chairman Wade of the same body, in which the former recommended to the latter certain grades on the Transcontinental railway. Presented 15th May, 1913.—*Mr. Graham*.....*Not printed.*

107. Return to an Order of the House of the 20th January, 1913, for a copy of all papers in connection with a claim of L. A. Sauvé to certain buildings at La Pointe des Cascades, on the Soulanges canal, and of all correspondence on the same. Presented 30th January, 1913.—*Sir Wilfrid Laurier*.....*Not printed.*

108. Return to an Order of the House of the 5th December, 1912, for a copy of the contract entered into between the Department of Railways and Canals and W. H. Weller for St. Peters canal improvements, and for a copy of all correspondence between the contractor or any other person, firm or corporation and the Honourable Minister of Railways and Canals relating to the dumping of material removed by the contractor. Presented 30th January, 1913.—*Mr. Kyte*.....*Not printed.*

108*a*. Return to an Order of the House of the 27th January, 1913, for a copy of all correspondence between the Department of Railways and Canals and C. D. Sargent, C.E., and between C. D. Sargent, C.E., and H. G. Stanton, Superintending Engineer of the St. Peters Canal, or between W. H. Weller, contractor for the St. Peters canal improvements, and either or all of said parties relative to work done by the contractor outside of his contract, and the specifications thereof, and also a copy of all correspondence, letters and telegrams between the Department of Railways and Canals or C. D. Sargent, C.E., and any other person, in regard to the same; and of all accounts and vouchers rendered by the contractor to the government of such work, and the payment made by the government to the contractor, specifying whether the same is paid for in full or otherwise. Presented 21st April, 1913.—*Mr. Kyte.*

Not printed.

108*b*. Return to an Order of the House of the 19th March, 1913, for a copy of the accounts of personal expenses paid to Mr. St. Amour, Superintendent of the Soulanges Canal,

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since he entered upon his duties.—Also return to an Order of the House of the 2nd April, 1913, for a copy of all accounts for personal expenses paid by the government to Mr. St. Amour, Superintendent of the Soulanges Canal, since the date of his appointment. Presented 29th April, 1913.—*Mr. Boyer*.....*Not printed.*

109. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, letters, telegrams, petitions and other documents received since the 1st day of January, 1912, asking that the line of railway known as the Vale Road, should be taken over by the Intercolonial Railway. Presented 30th January, 1913.—*Mr. Macdonald*.....*Not printed.*

110. Return to an Order of the House of the 27th January, 1913, for a copy of all correspondence in connection with the issuing of letters patent to the Quebec Railway, Light, Heat and Power Company, Limited, and also said letters patent. Presented 30th January, 1913.—*Mr. Lemieux*.....*Not printed.*

111. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, correspondence, &c., between the Department of Trade and Commerce and Mr. Donnelly, late Canadian Trade Commissioner in Mexico, relating to the closing of the office of such trade commissioner in Mexico. Presented 3rd February, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

112. Return called for by Section 88 of Chapter 62, Revised Statutes of Canada, requiring that the Minister of the Interior shall lay before parliament, each year, a return of liquor brought from any place out of Canada into the territories by special permission in writing of the Commissioner of the Northwest Territories. Presented by Hon. Mr. Roche, 3rd February, 1913.....*Not printed.*

113. Return to an Order of the House of the 22nd January, 1913, for a copy of all letters, telegrams and other papers and documents, relating to the resignation of Lt.-Col. W. F. Moore, 20th Regiment, Halton Rifles, and also of the resignation and the reply thereto. Presented 6th February, 1913.—*Mr. Macdonald*.....*Not printed.*

114. Return to an Order of the House of the 20th January, 1913, for a copy of all letters, papers, telegrams and other documents in connection with the strike of firemen and other men employed on the D.G.S. *Earl Grey*, in the year 1912 and 1913. Presented 11th February, 1913.—*Mr. Macdonald*.....*Not printed.*

115. Return to an Order of the House of the 27th March, 1912, for a copy of all papers, letters and telegrams relating to the applications for, or the granting of, a lease of False Cove Flats, Vancouver, B.C. Presented 11th February, 1913.—*Mr. Macdonald.* *Not printed.*

116. Return to an Order of the House of the 27th January, 1913, for a copy of all correspondence and other papers in connection with a proposed guarantee of bonds to the Quebec and Saguenay railway. Presented 11th February, 1913.—*Mr. Lemieux*....*Not printed.*

116a. Return to an Order of the House of the 9th April, 1913, for a copy of all documents, including petitions, memorials, letters and telegrams, addressed to the government, or any of its members, urging it to take over and incorporate into the Canadian government railway system, the Quebec and Oriental Railway and the Atlantic, Quebec and Western Railway, with a copy of all the answers thereto. Presented 20th May, 1913. —*Mr. Marcil (Bonaventure)*.....*Not printed.*

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116*b*. Return to an Address to His Royal Highness the Governor General of the 11th December, 1912, for a copy of all orders in council in connection with the construction of a line of railway from St. John to Grand Falls in the Province of New Brunswick, or any portion thereof and also of all plans and profiles filed with the Department of Railways and Canals by the St. John and Quebec Railway Company, and of all correspondence between the Department of Railways and Canals or any official thereof and with the said company or the Government of the Province of New Brunswick, or any official thereof, with reference to the curves, grades or general specifications of the said railway or any portion thereof. Presented 20th May, 1913.—*Mr. Carvell.*
Not printed.

116*c*. Return to an Order of the House of the 28th April, 1913, for a copy of all memorials, petitions, letters, and other documents submitted to the Board of Railway Commissioners from 1st January, 1913, to date, by any party whatsoever regarding the service of the Quebec and Oriental Railway and the Atlantic, Quebec and Western Railway, as to freight, passengers and express matters, with a copy of all orders and rulings issued by such Board and of all correspondence in connection therewith. Presented 20th May, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

117. Return to an Address to His Royal Highness the Governor General of the 5th December, 1912, for a return showing the number of appeals made to the Governor in Council during the twelve months preceding 25th November, 1912, against orders of the Board of Railway Commissioners, the particulars of each appeal, and the decision rendered by the Governor in Council in each case. Presented 11th February, 1913.—*Mr. Graham* .....*Printed for sessional papers only.*

118. Return to an Address to His Royal Highness the Governor General of the 22nd January, 1913, for a copy of all orders in council and of all correspondence relating to the extension of facilities for obtaining information useful to Canadian Trade and Commerce in connection with the British Consular Service. Presented 11th February, 1913.—*Mr. Ames*.....*Not printed.*

119. Return to an Order of the House of the 24th January, 1913, for a return showing all the employees of the different departments at Ottawa, and also in the nine provinces and territories of Canada, and other places outside of Canada, in the inside and outside service, who have left their employment since the 1st October, 1911, up to the 10th January, 1912, inclusively, with their names, Christian names, age, nationality, employment and salaries respectively; the date of their appointment; the date of their leaving; their salaries, the time of their appointment and at leaving; the reasons of their leaving; and if replaced or not; the names, Christian name, age, nationality, employment and salary of those who have replaced them; and in the case of dismissals, a list of the persons who asked for their dismissals; in the case of these replacing them, a list of the persons who recommended their successors Presented 11th February, 1913.—*Mr. Wilson (Laval)*.....*Not printed.*

119*a*. Supplementary return to an Order of the House of the 24th January, 1912, for a return showing all the employees of the different departments at Ottawa, and also in the nine provinces and territories of Canada, and other places outside of Canada, in the inside and outside service, who have left their employment since the 1st October, 1911, up to the 10th January, 1912, inclusively, with their names, Christian names, age, nationality, employment and salaries respectively; the date of their appointment; the date of their leaving; their salaries at the time of their appointment and at leaving; the reasons of their leaving; and if replaced or not; the names, Christian name, age, nationality, employment and salary of those who have replaced them;

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and in the case of dismissals, a list of the persons who asked for their dismissals; in the case of these replacing them, a list of the persons who recommended their successors. Presented 17th March, 1913.—*Mr. Wilson (Laval)*.....*Not printed.*

120. Return to an Address to His Royal Highness the Governor General of the 5th February, 1912, for a copy of all tenders, contracts, reports and other memoranda of the engineers of the Department of Public Works, orders in council, correspondence and all other documents relating to the construction of a dam for storage purposes at the foot of Lake Timiskaming. Presented 12th February, 1913.—*Mr. Pugsley.*

Not printed.

120a. Return to an Order of the House of the 4th March, 1912, for a copy of all contracts, correspondence or writings whatsoever, respecting the construction of a dam in 1908 or 1909, called the Lake Timiskaming dam constructed or built over the rivers forming the inflow or the discharge of the said lake, exchanged between the Government of Canada and the contractor or contractors. Presented 12th February, 1913.—*Mr. Boulay*.....*Not printed.*

121. Return to an Order of the House of the 28th March, 1912, for a return giving a list of the subjects of the oil paintings and water colours which have become the property of the National Gallery of Canada since 1891; and the names of the artists in each case. Presented 12th February, 1913.—*Mr. Burnham*.....*Not printed.*

122. Return to an Order of the House of the 27th January, 1913, for a copy of all documents, letters, correspondence, reports, recommendations, &c., relating to the petition of Mr. Firmin Thibault, of St. Denis, County of Kamouraska, for his indemnity for having served at the time of the Fenian invasion. Presented 13th February, 1913 — *Mr. Lapointe (Kamouraska)*.....*Not printed.*

123. Return to an Order of the House of the 27th January, 1913, for a return showing what date or dates the government purchased the site for the new Dominion Rifle Range in the County of Carleton, Ontario, from whom were the several parcels of land purchased, and what price per acre was paid for each, the number of acres of land purchased, and the total amount paid therefor, if any buildings have been erected on the said lands by the government, and the cost thereof, the amounts paid by the government for commissions, fees, agency charges, and legal expenses, and to whom in connection with said purchase, the amount of money expended by the Government on the said range for all purposes, from the date of the original purchase of the land up to 23rd January, 1913, and any sums remaining to be paid in any way connected with the purchase of the said range, to whom and the respective amounts thereof, the distance from the post office in the City of Ottawa to the said range, if any line of electric or other railway runs from the City of Ottawa to the said range, and what means of transportation will be provided for riflemen going to and returning from the said range. Presented 13th February, 1913—*Mr. Wilson (Laval)*.....*Not printed.*

124. Return to an Address to His Royal Highness the Governor General of the 10th February, 1913, for a copy of the memorial presented to the Government during the session of 1911-12, by a delegation from the Government of Prince Edward Island asking for an increased provincial subsidy, a copy of which memorial was laid on the Table of the House by the Finance Minister last session of Parliament, but is not now apparently on the files of the House Presented 17th February, 1913.—*Mr. Hughes (Kings, P.E.I.)*.....*Printed for sessional papers only.*

125. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, letters, telegrams and correspondence between the Government of Canada or any member thereof, since 1st November, 1911, to the pre-

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sent time, with any corporation, company, party or parties, in any way relating to the Customs Tariff upon cement or to the temporary reduction made of the Customs Tariff upon cement; also for a copy of all letters and correspondence by and between members of the Government of Canada during the same period relating to the same subject, and of all papers, documents, memoranda and orders in council relative to the reduction of the Customs Tariff upon cement made by order in council since the close of the last session of parliament. Presented 17th February, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

125a. Return to an Address to His Royal Highness the Governor General of the 20th January, 1913, for a copy of all petitions since the 1st of October, 1911, addressed to the Governor General in Council or to any member of the government, asking for a remis ion and the adjustment of duty on cement, of all letters to the ministers individually on the same, of all correspondence and of all orders in council. Presented 21st February, 1913.—*Sir Wilfrid Laurier*.....*Not printed.*

125b. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all papers, documents, petitions, orders in council, letters and telegrams in any department of the government of Canada, or that passed between the Department of Customs and the Department of Justice or any solicitor, counsel, association, company or individual, during the past twelve months, respecting the imposition of tariff duties upon imported lumber dressed on one side and sized, or respecting the interpretation of tariff item No. 504, together with a printed copy of any stated case, appeal, factum or argument used before the Exchequer Court of Canada or the Supreme Court of Canada, in the matter of the judicial interpretation of tariff item No. 504. Presented 4th June, 1913.—*Mr. Maclean (Halifax)*

Not printed.

126. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence passing between the government or any member thereof with respect to the east half of Section 27 in township six (6) in range two (2) west of the third meridian. Presented 17th February, 1913.—*Mr. Martin (Regina)*.....*Not printed.*

127. Return to an Order of the House of the 27th January, 1913, for a return showing when the militia or regular forces was first called out in Canada since Confederation in aid of the civil authorities, how often, when and where has the same been called out since, the amount of money paid by each municipal corporation for such service in each case, what corps called out on each occasion, whether to quell strikes in each instance or for what purpose. Presented 18th February, 1913.—*Mr. Macdonald.*

Not printed.

128. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, papers, &c., concerning the application by James McKelvey, of the town of Sarnia, Ontario, for Fenian Raid Volunteer Bounty. Presented 18th February, 1913.—*Mr. Macdonald*.....*Not printed.*

129. Return to an Order of the House of the 10th February, 1913, for a copy of all documents, correspondence, memorandums, reports, requests for inquiries, of the appointment of commissioners and other documents, relating to the study of the causes for the depopulation of country places and the high cost of living in the eastern provinces of the Dominion. Presented 18th February, 1913.—*Mr. Paquet*.....*Not printed.*

130. Return to an Order of the House of the 9th December, 1912, for a copy of all papers, documents, memoranda and correspondence relating to the application of the Banque Internationale to the Treasury Board for a certificate for the commencement of business. Presented 18th February, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

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131. Return to an Order of the House of the 4th December, 1912, for a copy of all papers, documents, telegrams, reports, letters, and instructions regarding smelt and salmon fishing in the Restigouche river and the Baie des Chaleurs since October, 1911, up to date, together with copy of instructions issued to officials of the Department of Marine and Fisheries in that connection. Presented 18th February, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

132. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence and papers concerning the increase of salary of Mr. Sevigny, employed at the immigration office at Montreal. Presented 18th February, 1913.—*Mr. Carvell.* *Not printed.*

133. Return to an Order of the House of the 5th February, 1913, for a return showing whether any order for goods has been given by the Department of Public Works since 1st October, 1911, at Montreal, Quebec, St. John and Halifax; tenders asked for in each case; orders for goods given without tenders; names of firms, and amounts in each case. Presented 19th February, 1913.—*Mr. Macdonald*.....*Not printed.*

134. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence and other papers, in the Department of Public Works, concerning the awarding of a contract for a Welsh coal supply to the various Dominion public buildings in Montreal. Presented 19th February, 1913.—*Mr. Lemieux*....*Not printed.*

135. Return to an Order of the House of the 5th December, 1912, for a return showing how many dredging contracts were let by the Department of Public Works during the year 1911-12, the name of each tenderer and the amount of each tender. Presented 19th February, 1913.—*Mr. Lemieux*.....*Not printed.*

135*a*. Return to an Order of the House of the 4th December, 1912, for a return showing the quantity by cubic yards of dredging made in the harbour of Bathurst by the dredge *Restigouche* during the months of May, June, July, August, September, October, and November of the year 1911, and during the same months in the year 1912. Presented 19th February, 1913.—*Mr. Turgeon*.....*Not printed.*

135*b*. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, documents, recommendations and reports respecting the dredging Des Prairies river, the work done, depth, length and width of channel dredged, the list of men employed to perform that work, their salaries, and the amount of money spent on that work since the 1st of October, 1911, up to the 21st November, 1912. Presented 12th May, 1913.—*Mr. Wilson (Laval)*.....*Not printed.*

135*c*. Return to an Order of the House of the 3rd March, 1913, for a copy of all documents, letters, reports of engineers and a detailed statement of expenditure in connection with dredging at Ste. Anne de Restigouche and Cross Point, Bonaventure County. Presented 4th June, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

135*d*. Return to an Order of the House of the 19th March, 1913, for a return showing the amount of dredging done by the government dredges for private parties or firms in Prince Edward Island, during the season of 1912; the names of the parties or firms for whom this dredging was done; the number of yards of material dredged for each party or firm; the class of material dredged, and the price per yard the government charged for this dredging; who measured the material dredged, and whether it was scow measurement that was made; who recommended the said dredging to be done; if the resident engineer or any engineer was consulted in regard to the measuring, and if the resident engineer or any engineer had control over the matter at all. Presented 6th June, 1913.—*Mr. Hughes (Kings, P.E.I.)*.....*Not printed.*

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136. Return to an Order of the House of the 9th December, 1912, for a copy of the accounts of Jean Baptiste Lena and of his wife, for work done to the public buildings at Valleyfield, Quebec, in May, 1912; also for a copy of all correspondence, reports and documents relating to the payment in full or a part of their accounts. Presented 19th February, 1913.—*Mr. Papineau*.....*Not printed.*

137. Return to an Order of the House of the 4th December, 1912, for a return showing the amount of money expended in improving the channel of the Ottawa river between the city of Hull and the village of Masson. Presented 19th February, 1913.—*Mr. Devlin.* *Not printed.*

138. Return to an Order of the House of the 4th December, 1912, for a copy of all documents relating to the transferring of P. E. Amiot, resident engineer of the Department of Public Works, Bonaventure, Quebec, to the district of Chicoutimi and Saguenay, and the appointment in his stead, in Bonaventure County, of Charles E. Tache, of Chicoutimi, as resident engineer, with a copy of all the instructions given to the latter and his duties, residence and salary. Presented 19th February, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

139. Return to an Order of the House of the 4th December, 1912, for a copy of all petitions, correspondence, memoranda, reports, and resolutions of county or other municipal councils of Bonaventure County asking or objecting to certain public works in Bonaventure County since October, 1911, with the Minister of Public Works, or any member of the present administration, and replies made thereto. Presented 19th February, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

140. British Canadian Loan and Investment Company, Limited, Toronto, for year 1911.—*(Senate)*.....*Not printed.*

141. Claims of present fish warden, Baker Lake, County of Madawaska, N.B.—*(Senate)*. *Not printed.*

141a. Return to an Order of the House of the 29th January, 1913, for a copy of all letters, telegrams, reports, information, convictions and other documents in the possession of the Department of Marine and Fisheries or any officer thereof relating to the prosecution in the year 1910, against George Rowlings and James Rowlings, of Musquodoboit Harbour, County of Halifax, for a violation of the fishery regulations. Presented 21st May, 1913.—*Mr. Sinclair*.....*Not printed.*

141b. Return to an Order of the House of the 29th January, 1913, for a copy of all papers, letters, telegrams and documents or other communications, had with the Department of Marine and Fisheries or any official thereof, in regard to the prosecutions against the following parties:—Samuel Stewart, Melvin Hart, Andrew McNeil, Thomas McNeil, Hugh Malcolm, Tom Moffatt, James Waddin, Samuel Wright and Dougald Higgins, of Westville, County of Pictou, for infractions of the Fisheries Act, and of any applications or letters relative to relief from the fines imposed or the return of the same; and also of all papers, letters, and other documents relating to a charge against Rod. Martin, of Westville aforesaid, a fishery guardian, for illegal fishing and other offences. Presented 21st May, 1913.—*Mr. Macdonald*.....*Not printed.*

141c Claims of Messrs. Boulanger and Son, Montmagny, Quebec.—*(Senate)*....*Not printed.*

142. Copy of Report of Minister of Justice in *re* Florence Mining Company.—*(Senate)*. *Not printed.*

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143. Instruction sent to the different Lieutenant Governors of different provinces of Canada, with commissions.—(*Senate*)..... .....*Not printed.*

144. Return to an Order of the House of the 15th January, 1913, for a copy of all papers, letters, documents, telegrams, reports and opinions in relation to the claim of William Iceton, of Purcell's Cove for a return of a boat from the Department of Marine and Fisheries or any other department. Presented 20th February, 1913.—*Mr. Macdonald* ....*Not printed.*

145. Return to an Address to His Royal Highness the Governor General of the 9th December 1912, for a copy of all papers, telegrams, letters and orders in council respecting the transfer of the property known as the Police Point Reserve to the corporation of the City of Medicine Hat, Alberta. Presented 20th February, 1913.—*Mr. Buchanan.*
Not printed.

146. Return to an Order of the House of the 29th January, 1913, for a copy of the inquiry made by F. B. Atkinson, Lévis, as to an accident that happened to the horse of Arsene Lauzier, at Amqui, County of Rimouski, on the 19th February, 1912. Presented 20th February, 1913.—*Mr. Boulay*.....*Not printed.*

147. Correspondence, memoranda, &c., in respect to the issue of a patent for the N. ½ of S. W. ¼ of section 8, in township 49, range 26, west of the 2nd meridian, to one Arthur Donaldson, bearing date the 19th November, 1912. Presented by Hon. Mr. Roche, 20th February, 1913..... .....*Not printed.*

147*a*. Return to an Order of the House of the 12th February, 1913, for a copy of all letters, telegrams and other documents with respect to the north half of the southwest quarter of section eight (8), township forty-nine (49), range twenty-six (26), west of the second meridian, province of Saskatchewan, and the granting of a homestead entry for the said land to one Arthur Donaldson. Presented 6th June, 1913.—*Mr. Martin (Regina)*..... .....*Not printed.*

148. Return to an Order of the House of the 12th February, 1913, for a copy of all papers, reports and other documents relating to the delay of the Indian Department in issuing patents for lands purchased from the St. Peters band of Indians, and forming part of the St. Peters Indian reserve, Manitoba. Presented 25th February, 1913.—*Mr. Oliver*..... .....*Not printed.*

149. Return an Address to His Royal Highness the Governor General of the 27th January, 1913, for a copy of all applications addressed to the Government by the Algoma Steel Company for remission of duties on rails imported by the said company at Fort William; of all correspondence on the same, of all evidence sought and obtained by the government and supplied by the company in support of its application; and of all orders in council ordering such remission of duties. Presented 25th February, 1913.—*Sir Wilfrid Laurier*..... .....*Not printed.*

150. Return to an Order of the House of the 24th February, 1913, for a return showing the stenographers and secretaries of the House of Commons, and the names of the members for whom each of them work. Presented 26th February, 1913.—*Mr. Boulay.*
Not printed.

150*a*. Return to an Order of the House of the 31st March, ultimo, for a return giving the names and home addresses of the persons employed in the House of Commons as stenographers to members. Presented 1st April, 1913.—*Mr. Martin (Regina).*
Not printed.

CONTENTS OF VOLUME 27—*Continued.*

151. Return to an Order of the House of the 16th January, 1913, for a return showing the number of bushels of grain and barrels or sacks of flour which were shipped from Montreal, Quebec, St. John, N.B., and Halifax, for twelve months preceding the 31st day of December, 1912; the kinds of each product respectively, and the quantities of said commodities at each of above points which were domestic and foreign. Presented 26th February, 1913.—*Mr. Bennett (Simcoe)*.....*Not printed.*

152. Return to an Order of the House of the 19th February, 1913, for a return showing in detail the quantity and values, respectively, of the imports and exports of Canada with Great Britain, United States, Australia and New Zealand, during the year ending 31st March, 1912, in horses, cattle, sheep, hogs, bacon, hams, fresh and salted beef, lard, tallow, mutton, canned meats, butter, cheese, eggs, poultry and apples. Presented 26th February, 1913.—*Mr. Sutherland*.....*Not printed.*

153. Return to an Address to His Royal Highness the Governor General of the 26th February, 1912, for a copy of all letters, documents and correspondence relating to action by the Government in regrd to the relief of the shareholders and depositors of the Farmer's Bank, and of the order in council appointing Sir William Meredith as Commisioner, and all correspondence in relation thereto. Presented 26th February, 1913. —*Mr. Macdonald*.....*Not printed.*

153*a*. Report of the Honourable Sir William Ralph Meredith, Kt., Commissioner appointed to make investigation into all matters connected with the Farmers Bank of Canada. Presented by Hon. Mr. White, 26th February, 1913.

Printed for distribution and sessional papers.

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(This volume is bound in three parts.)

153*b*. Report of Royal Commission authorized by orders in council dated 19th day of July, 1912, and the 5th day of August, 1912, to inquire into alleged complaints as to methods of weighing butter and cheese in Montreal, and also as to the methods of payment. Presented by Hon. Mr. Burrell, 30th May, 1913.

Printed for distribution and sessional papers.

154. Return to an Order of the House of the 27th January, 1912, for a return showing the amount of the subsidy paid to each of the four original provinces of the Dominion at Confederation, and the population on which such payment was based; the subsidy payable to each of the remaining five provinces on entering the union, and the population on which such payment was based; the sum added to the subsidy of any province as better terms, and the date which such addition was made respectively; the details of each readjustment of subsidies since 1867, and the yearly subsidy at present payable to each province, with the population on which such payment is based, and the original debt allowance, if any, respectively, placed to the credit of each province on entering the union. Presented 27th February, 1913.—*Mr. Sinclair.*

Printed for sessional papers only.

155. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence in regard to the disposition of the Marine Hospital at Pictou to the town of Pictou, or any other corporation or person. Presented 27th February, 1913.—*Mr. Macdonald*.....*Not printed.*

156. Return to an Order of the House of the 29th January, 1913, for a copy of all letters, tenders, contracts, papers and other documents in the possession of the Department of Marine and Fisheries relating to the making and cancellation of a contract or agreement between the said department and one Charles G. Giffin, of Isaac Harbour,

CONTENTS OF VOLUME 28.—*Continued.*

N.S., to perform certain services for the lobster hatchery at that place, and also relating to a subsequent agreement with one Philip McArthur to perform similar duties. Presented 27th February, 1913.—*Mr. Sinclair*.....*Not printed.*

157. Return to an Order of the House of the 29th January, 1913, for a copy of all papers and correspondence concerning the claim of Charles Mennier, ex-Collector of Customs at Marieville, Quebec, for rent. Presented 28th February, 1913.—*Mr. Lemieux.*
Not printed.

158. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, correspondence, documents and reports relating to the closing of the post office at Pomket river, Antigonish County, Nova Scotia, and the cancellation of the contract for the carrying of the mail between Heatherton and Pomket river. Presented 28th February, 1913.—*Mr. Chisholm (Antigonish)*.....*Not printed.*

158*a*. Return to an Order of the House of the 27th January, 1913, for a copy of all letters, telegrams, petitions and other correspondence and documents received by the Post Office Department during the last twelve months from the honourable member for East Grey and others, relating to the closing of the post office at Harkaway, County of Grey, province of Ontario, and of the proposed change in the mail service. Presented 25th March, 1913.—*Mr. Lanctot*.....*Not printed.*

159. Claims put forth by and on behalf of Indians of British Columbia—Report of James T. McKenna on.—(*Senate*).....*Not printed.*

159*a*. Return to an Address to His Royal Highness the Governor General of the 20th January, 1913, for a copy of all correspondence between the Government of British Columbia and the Government of Canada concerning the rights and claims of the Indians in the province, and of all orders in council with regard to the same. Presented 14th May, 1913.—*Sir Wilfrid Laurier*.....*Not printed.*

159*b*. Return to an Order of the House of the 28th April, 1913, for a copy of all correspondence, reports and recommendations from Rev. R. L. Macdonald, Indian agent at Salmon River reserve, Richmond County, N.S., relating to the Indian school in said reserve; and of all correspondence and instructions from the Department of Indian Affairs to the said Indian agent, relating to the same; also a copy of all complaints, charges and reports against Miss Charlotte M. Devereaux, teacher of the said school, and of all correspondence and recommendations relating to the appointment of Earnest McNeil to succeed her, since 1st January, 1912. Presented 23rd May, 1913.—*Mr. Kyte*.....*Not printed.*

159*c*. Return to an Order of the House of the 12th May, 1913, for a copy of the last surrender and of all papers, correspondence and other documents in connection with the surrender of part of the White Bear Indian Reserve; together with a copy of all letters and telegrams referring to this surrender by officials of the Department or others, and of the authority on which this surrender was taken, the number of acres surrendered, and how disposed of. Presented 23rd May, 1913.—*Mr. Bradbury.*
Not printed.

159*d*. Return to an Order of the House of the 30th April, 1913, for a copy of all letters, papers, memoranda and other documents, dated since 1st January, 1912, relating to the Kitsilano Indian Reserve in the City of Vancouver. Presented 23rd May, 1913.—*Mr. Oliver*.....*Not printed.*

160. Immigrants—number of, who settled in Canada, in 1911-12, and from whence.—(*Senate*).
Not printed.

CONTENTS OF VOLUME 28.—*Continued.*

160a. Return to an Order of the House of the 7th May, 1913, for a return showing the number of immigrants coming into Canada during the year ending 31st March, 1913, inspected by the government medical inspectors; the total cost of such medical inspections; the number of medical doctors employed by the government during that period; the name, salary and location of each, including those resident in Ottawa. Presented 6th June, 1913.—*Mr. Schaffner*.....*Not printed.*

161. Correspondence with Mr. V. Steffansson concerning northern expedition. Presented by Hon. Mr. Hazen, 3rd March, 1913.....*Not printed.*

161a. Copy of order in council No. P.C. 406 of the 22nd February, 1913, with reference to Mr. V. Steffansson's proposed northern expedition. Presented by Hon. Mr. Hazen, 10th March, 1913.....*Not printed.*

162. Return to an Address to His Royal Highness the Governor General of the 25th March, 1912, for a copy of all letters, requests, petitions, orders in council and other documents in the possession of the Department of Marine and Fisheries relating to the change in the fishery regulations by which steam trawlers were prohibited from participating in the fishing bounty. Presented 3rd March, 1913.—*Mr. Sinclair.*
Not printed.

162a. Return to an Address to His Royal Highness the Governor General, of the 10th February, 1913, for a copy of all petitions, correspondence, reports of experts or officers, of orders in council, minutes of council, and of other papers and documents in the possession of the Department of Marine and Fisheries, or any department of the government, relating to steam trawling on the Atlantic seaboard. Presented 15th April, 1913.—*Mr. Sinclair*.....*Not printed.*

163. Return to an Order of the House of the 19th February, 1913, for a copy of all correspondence, papers, accounts, vouchers, concerning the purchase and subsequent repairs of a private car by the Department of Militia and Defence, from the Canadian Northern Railway Company. Presented 3rd March, 1913.—*Mr. Lemieux.*
Not printed.

164. Return to an Order of the House of the 24th February, 1913, for a return showing separately the amount paid by the Department of Indian Affairs for medical attendance on account of the Indians on the Micmac reserve of Ste. Anne de Restigouche, Quebec, for each year from 1900 to 1913, inclusive, and to whom paid. Presented 10th March, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

165. Return to an Order of the House of the 19th February, 1913, for a copy of all correspondence, letters, telegrams and other documents relative to the sale of alleged Indian lands at Nyanza, riding of North Cape Breton and Victoria, N.S., to one Philip McDonald, such sale having taken place about the year 1877. Presented 17th March, 1913.—*Mr. McKenzie*.....*Not printed.*

165a. Return to an Order of the House of the 7th May, 1913, for a return showing the number of acres surrendered by the Coté's Band of Indians, the number of acres sold by private sale, the number of acres still unsold; together with a copy of all letters from persons who made application for purchase of surrendered lands in Coté's reserve, or from any person on behalf of purchasers and replies thereto; and of all reports, letters or memoranda addressed to the Superintendent General of Indian Affairs, from any officer of the department respecting the private sale of said lands; also a copy of any document or documents covering the authority under which these lands were sold by private sale, and of all letters addressed to the department, or any officer of department, respecting the sale of said lands. Presented 3rd June, 1913.—*Mr. Bradbury*.....*Not printed.*

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166. Return to an Order of the House of the 12th February, 1913, for a copy of all letters, reports and other documents received by the Minister of Labour regarding labour conditions on the Grand Trunk Pacific between Tête Jaune Cache and Fort George. Presented 17th March, 1913.—*Mr. Oliver*.....*Not printed.*

167. Return to an Address to His Royal Highness the Governor General of the 3rd February, 1913, for a copy of all telegrams, letters and other documents passing between the Government of Canada, or any member thereof, and the Government of the Province of Saskatchewan, or any member thereof, with respect to chapter 17 of the statutes of Saskatchewan, 1912, being an Act to prevent the employment of female labour in certain capacities. Presented 17th March, 1913.—*Mr. Martin (Regina)*.....*Not printed.*

168. Return to an Order of the House of the 10th December, 1912, for a copy of all correspondence, petitions and other papers received by the Prime Minister, or any member of the government, since the 1st April, 1912, in connection with the school system established in that portion of the Keewatin Territory annexed to the province of Manitoba. Presented 17th March, 1913.—*Mr. Macdonald*.....*Not printed.*

169. Return to an Order of the House of the 29th January, 1913, for a return showing the number of accidents to lock gates or bridges on the Welland Canal during the year ending 25th November, 1912, the nature of the accidents, the amount of damage in each case and the amount recovered by the Government from vessel owners in each instance. Presented 18th March, 1913.—*Mr. Graham*.....*Not printed.*

170 Return to an Order of the House of the 3rd March, 1913, for a copy of the contract passed on the 6th day of August, 1910, between the City of Quebec and the Transcontinental Railway Commissioners, for the acquisition by the latter of the property known as Champlain Market, to be used as a station and terminals for the said railway; of all the correspondence between the said city and the present Commissioner of the said railway, with the Minister of Railways, or any other Minister, with regard to the non-execution of the said contract by the said commission. Presented 18th March, 1913.—*Sir Wilfrid Laurier*.....*Printed for sessional papers only.*

171. Return to an Order of the House of the 29th of January, 1913, for a copy of all letters, correspondence, &c., respecting the request for suspension by H. Boulay, of J. Stahl, assistant inspector of immigration on the railway. Presented 19th March, 1913.—*Mr. Boulay* .....*Not printed.*

172. Return to an Order of the House of the 17th February, 1913, for a return showing the total area of land thrown open for pre-emption and purchased homesteads in each of the provinces of Saskatchewan and Alberta since the passing of the Dominion Lands Act of 1908; also the number of acres of such lands which have been disposed of by way of pre-emptions and purchased homesteads in each of the said provinces, the amount of principal money collected on account of such lands in each of the said provinces up to 31st December, 1912, and the amount of interest collected on account of such lands in each of the said provinces to 31st December, 1912. Presented 19th March, 1913.—*Mr. Martin (Regina)*.....*Not printed*

173. Return to an Order of the House of the 10th February, 1913, for a copy of all letters, correspondence, memorials and other documents received by the Right Honourable the Prime Minister and the Honourable the Minister of Justice, since the 1st day of January, 1912, relating to the request by county court judges for an increase of salary and for an amendment to the Judges Act with respect to retiring allowances. Presented 26th March, 1913.—*Mr. Proulx*.....*Not printed.*

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174. Return to an Order of the House of the 13th February, 1913, for a return showing the names of the keepers in Portsmouth penitentiary, and their religious belief; the names of any of the said keepers who may have been dismissed, the date, charges and on whose recommendation were they reinstated. Presented 26th March, 1913.—*Mr. Edwards*..... .....*Not printed.*

174a. Return to an Order of the House of the 13th February, 1913, for the name of the discipline officer in charge of each of the following departments in Portsmouth penitentiary, the date when each was first appointed on the penitentiary staff, the date to his present position, and the religious belief of each: Quarry, farm, warden's residence and grounds, blacksmith shop, bath room and laundry, stone shed, tailor and shoe shop, changing room, stone pile, sewage plant, asylum ward, cell wings, library and Roman Catholic and Protestant chapels, hospital, shop dome, carpenter, tin and paint shop, and prison of isolation. Presented 26th March, 1913.—*Mr. Edwards.* *Not printed.*

175. Return to an Order of the House of the 17th February, 1913, for a copy of all statements of account for salary or remuneration to the Commissioner, and his expenses, for witness fees and all other expenses in connection with the investigations by Commissioner Duchemin, of the following persons in Antigonish County namely: Patrick M. Decoste, deckhand SS. *Scotia*, Harbour au Boucher; William R. Fougère, sectionman, Harbour au Bouche; Allen Kinney, sectionman, Linwood; Hubert Myatte, sectionman, Tracadie; John McDonell, sectionman, Afton Station; John W. Malanson sectionman, Afton; James Armstrong, sectionman, Heatherton; Charles Landry, sectionman, Pomket; William S. Landry, section foreman, Pomket; Colin McDonald, sectionman, James River; Archibald Chisholm, station agent, Heatherton; Joseph Benoit, station agent, Pomket; Alex. R. McAdam, fishery officer, Malignant Cove; Alex. McDonald, sub-collector, Doctors Brook; Charles L. Gass, sub-collector, Bayfield; Jeffrey M. Crispo, sub-collector, Harbour au Bouche; Hugh R. McAdam, postmaster, Arisaig; Thomas J. Sears, postmaster, Lochaber, Charles L. Gass, postmaster, Bayfield; and Joseph P. Benoit, postmaster, Pomquet; also the expenses in detail, of and incidental to the investigation by said Commissioner Duchemin of the charges made against John J. McDonald, postmaster, McArra's Brook; Archibald Stewart, section foreman, Harbour au Bouche; Ronald McFarlane, section foreman, Williams Point; Henry Williams, sectionman, Marshy Hope; and John W. McInnes, bridge foreman Intercolonial Railway, Antigonish. Presented 26th March, 1913.—*Mr. Chisholm (Antigonish)*..... .....*Not printed.*

175a. Return to an Order of the House of the 28th April, 1913, for a return showing the date of the appointment of H. P. Duchemin, Investigating Commissioner for Eastern Nova Scotia; the number of days he has been employed by the government since the appointment; the gross amount paid to Mr. Duchemin as an allowance for his services, excluding travelling expenses or other outlay; the amount which has been paid to Mr. Duchemin to date for travelling expenses, living expenses, witness fees, and other sundry expenses, respectively. Presented 21st May, 1913.—*Mr. Sinclair.* *Not printed.*

176. Return to an Order of the House of the 4th December, 1912, for a copy of the report or reports made by C. E. Taché, resident engineer of Bonaventure County, Quebec, on public works existing or asked for in that constituency since October, 1911, up to date. Presented 28th March, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

177. Return to an Order of the House of the 6th February, 1913, for a return showing what properties within the area north of Wellington street and west of Bank street, in the City of Ottawa, have been purchased or acquired by the Government; from whom the said purchases were made, and the price paid, or agreed to be paid, in each case; the

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number of said properties not yet paid for, the names of the owners thereof, and amount, if any, in dispute in each case; the names of the persons who were employed in any capacity, or for any purpose, in connection with the purchase of the said properties, and the terms of their employment; the amount which has been paid to each, and further amounts to be paid to such persons, giving their respective names; whether the Government has employed any persons or agents to collect rent from the tenants or occupants of any of the said properties, if so, the names of such rent collectors, for what period employed, and amount by way of salary, fees, or commission, paid to each; the total amount paid by the Government up to 31st January, 1913, in connection with the purchase or acquisition of the said properties. Presented 28th March, 1913.- *Mr. Murphy* .....*Not printed.*

178. Return to an Order of the House of the 24th January, 1913, for a copy of all correspondence between the Minister of Public Works and H. Morel, M.P.P., for East Nipissing, in any way relating to the construction of a road or highway from North Bay to Sturgeon Falls, Ontario; and of all petitions, correspondence, surveys, and engineers' reports in any way connected with the building of the said road or highway. Presented 28th March, 1913.—*Mr. Murphy*.....*Not printed.*

179. Return to an Order of the House of the 4th December, 1912, for a copy of all pay-lists, letters, documents, telegrams and other papers in connection with the expenditures made on Brulé wharf in the County of Colchester during the last two years. Presented 28th March, 1913. *Mr. Macdonald*.....*Not printed.*

179a. Return to an Order of the House of the 10th December, 1912, for a copy of all papers, documents, tenders and correspondence relating in any way to the construction of a wharf at Kraut Point, Lunenburg County, N.S. Presented 28th March, 1913.—*Mr. Maclean (Halifax)*..... .....*Not printed.*

180. Return to an Order of the House of the 29th January, 1913, for a copy of all correspondence, papers, &c., concerning the application made by the Eastern Canada Power Company, with a view to raise the head of the River St. Lawrence in the vicinity of Coteau, Cedar, Split Rock and Cascade rapids to the level of the water in Lake St. François. Presented 28th March, 1913.—*Mr. Lemieux*.....*Not printed.*

181. Return to an Order of the House of the 4th December, 1912, for a copy of all correspondence, letters and telegrams addressed by the Conservative candidate in the County of Gloucester at the election of 21st September, 1911, to the Minister of Public Works from the day he took his oath of office, on 10th October, 1911, up to the 31st December, of the same year, on the subject of public works then under construction in the said county. Presented 28th March, 1913.—*Mr. Turgeon*.....*Not printed.*

182. Return to an Order of the House of the 10th March, 1913, for a return showing the number of men of the R. C. regiment at Aldershot, during the summer of 1912, previous to the regular militia camp; date of going into camp; number there during said time; whether tenders for supplies for these men were called for; number of tenders received and from whom; if any contracts were awarded on said tenders and, if not, what was done with the said tenders; how and from whom were supplies for these men obtained; the prices paid during said time per pound respectively, for meat, sugar, butter, tea, coffee bacon, bread, and how much per bushel for vegetables; the cost per ration for supplies for said men of the R. C. regiment at Aldershot camp during the time aforesaid; the cost per ration for supplies to the regular militia camp under contract during the annual drill in the fall of 1912. Presented 28th March, 1913.—*Mr. Kyte*.....*Not printed.*

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183. Report on wholesale prices in Canada, 1912, by R. H. Coats, B.A., F.S.S., editor of the *Labour Gazette.* Presented by Hon. Mr. Crothers, 28th March, 1913....*Not printed.*

184. Area of territories added to Ontario and Quebec, by Statutes of 1912.—(*Senate*). *Not printed.*

185. Relating to recent increase in prices charged Canadian fishermen for manilla cord.—(*Senate*).....*Not printed.*

186. Report of the Pilotage Commission of Quebec. Presented by Hon. Mr. Hazen, 28th March, 1913.....*Not printed.*

187. Return to an Order of the House of the 26th February, 1913, for a copy of all memoranda, letters, papers, telegrams and other documents in the possession of the Department of the Interior relating to the S. W. 36-16-27, W. 2. Presented 31st March, 1913.—*Mr. Knowles*.....*Not printed.*

187*a*. Return to an Order of the House of the 3rd March, 1913, for a copy of all correspondence, telegrams and other papers in connection with the southwest ¼ of 4-9-14 west of 2nd meridian. Presented 10th April, 1913.—*Mr. Bradbury*.....*Not printed.*

187*b*. Return to an Order of the House of the 26th March, 1913, for a copy of all papers, letters, memoranda and other documents relating to the northwest of 30-25-7-2. Presented 25th April, 1913.—*Mr. Oliver*.....*Not printed.*

187*c*. Return to an Order of the House of the 3rd March, 1913,—1. For a copy of all correspondence and other papers in connection with the disposal of the following lands and the claim of James W. Brown in connection with these lands:—

Part of S.E. ¼ section 21-20-21-W. 2nd meridian, area 5/100ths acre.
Part of N.E. ¼ section 21-20-21-W. 2nd meridian, area 116/100ths acre
Part of S.E. ¼ section 20-20-21-W. 2nd meridian, area 80 acres.
Part of S.W. ¼ section 28-20-21-W. 2nd meridian, area 72 4/100ths acres.
Whole of S.E. ¼ section 28-20-21-W. 2nd meridian, area 160 acres.
Whole of N.E. ¼ section 32-20-21-W. 2nd meridian, area 160 acres.
Part of S.E. ¼ section 32-20-21-W. 2nd meridian, area 80 acres.
Whole of N.W. ¼ section 5-21-21-W. 2nd meridian, area 160 acres.
Whole of S.E. ¼ section 5-21-21-W. 2nd meridian, area 160 acres.
Part of N.E. ¼ section 5-21-21-W. 2nd meridian, area 123 85/100ths acres.
Whole of S.W. ¼ section 5-21-21-W. 2nd meridian, area 160 acres.

2. Also of all papers in connection with the disposal of the whole of the northwest quarter-section 22-20-21, west of the second meridian; and part of S.W. ¼, 2-20-21-W. of the second meridian; and of all correspondence and papers in connection with Alexander Hurst Brown's claim *re* these lands. Presented 30th April, 1913.—*Mr. Bradbury*.....*Not printed.*

187*d*. Return to an Order of the House of the 9th April, 1913, for a copy of all letters, papers, telegrams and other documents in connection with the sale of the N.W. quarter-section 29-10-18-W. Presented 13th May, 1913.—*Mr. Turriff*.....*Not printed.*

187*e*. Return to an Order of the House of the 28th April, 1913, for a copy of all letters, memoranda and other documents relating to the northeast quarter of 14-75-15-5, during the years 1911, 1912, and 1913 to date. Presented 13th May, 1913.—*Mr. Oliver*. *Not printed.*

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187*f*. Return to an Order of the House of the 31st March, 1913, for a copy of all papers, telegrams, applications, and other documents in connection with the S.W. 2-19-20, west 2nd M. Homestead, patented 3rd June, 1892; the S. ½ of N.E. 20-20-21, west 2nd M. patented 11th October, 1904, N.W.H.B., as assignee of Edward Boucher; the S.E. ¼ of 22-20-21, west 2nd M., N.W.H.B., patented 22nd September, 1900, as assignee of Louis McGillies; the S.E. ¼ of 28-20 21, west 2nd M., N.W.H.B., patented 26th August, 1901, as assignee of J. Bte. Fagant, jr., and the E. ½ of S.E. ¼ of 32-20-21, west 2nd M., N.W.H.B., patented 11th September, 1901, as assignee of Jos. Alexander; and of all papers in connection with any claims of G. W. Brown or others in connection with these lands. Presented 3rd June, 1913.—*Mr. Bradbury*.....*Not printed.*

187*g*. Return to an Order of the House of the 31st March, 1913, for a copy of all papers, telegrams, applications and other documents regarding the S.W. ¼, 28-20-21, west 2nd M., N.W.H.B., patented 1st March, 1909, as assignee of Norbert Bellehumeur; and the W. ½ of S.E. ¼, 32, 20, 21, west 2nd M., N.W.H.B., patented 1st March, 1909, as assignee of Norbert Bellehumeur; and of all papers in connection with any claims by Norman McKenzie or others against the Government in connection with these lands. Presented 4th June, 1913.—*Mr. Bradbury*.....*Not printed.*

188. Return to an Order of the House of the 10th March, 1913, for a copy of all correspondence or communication of any kind between the Department of Insurance at Ottawa and the Department of Insurance at Toronto since June, 1907, touching the transfer of the Canadian Guardian Life Insurance Company from the jurisdiction of the Insurance Department at Ottawa to that of the jurisdiction of the Insurance Department at Toronto; of all correspondence, if any, between the Insurance Department at Ottawa and the *Saturday Night*, newspaper of Toronto, touching the affairs of the Canadian Guardian Life Insurance Company or the International Insurance Company, Limited; and of all correspondence and other communications between the Department of Insurance at Ottawa and the Government of the province of Alberta in reference to the affairs of the Canadian Guardian Life Insurance Company or the International Insurance Company, Limited. Presented 31st March, 1913.—*Mr. German.*
Not printed.

189. Copy of an Order in Council, &c., respecting a contribution of $30,000 to assist in alleviating the distress of the sufferers by the disastrous cyclone which swept over the City of Regina and its vicinity. Presented by Hon. Mr. White, 31st March, 1913.
Not printed.

190. Copy of correspondence respecting the Treaty of Commerce and Navigation between the United Kingdom and Japan. Presented by Hon. Mr. Borden, 1st April, 1913.
Printed for sessional papers only.

190*a*. From Imperial Consulate General of Japan for the Dominion of Canada. The undersigned, His Imperial Majesty's Consul General at Ottawa, duly authorized by His Government, has the honour to declare that the Imperial Japanese Government are fully prepared to maintain with equal effectiveness the limitation and control which they have since 1908 exercised in the regulation of emigration from Japan to Canada. 11th April, 1913. Presented by Hon. Mr. Borden, 11th April, 1913.....*Not printed.*

191. Copy of the order in council in connection with the appointment of a Commission to inquire into the claims of the province of British Columbia for exceptional treatment. Presented by Hon. Mr. Borden, 1st April, 1913.....*Printed for sessional papers only.*

191*a*. Memorandum *re* British Columbia's claims for special consideration. Presented by Hon. Mr. Borden, 1st April, 1913.....*Printed for sessional papers only.*

CONTENTS OF VOLUME 28.—*Continued.*

191*b*. Copies of orders in council, &c., relating to the appointment of commissioners to adjust all matters relating to Indian lands and Indian affairs generally in the province of British Columbia. Presented by Hon. Mr. Borden, 17th April, 1913.
Not printed.

191*c*. Report of the Royal Commission appointed to inquire into and report upon the law respecting pilotage and its administration in the pilotage districts of Montreal and Quebec; and what changes, if any, are desirable therein; and also, a letter addressed to the Minister of Marine and Fisheries from Mr. Ajutor Lachance, one of the commissioners. Presented by Hon. Mr. Hazen, 18th April, 1913.....*Not printed.*

191*d*. Report of Royal Commission on Industrial Training and Technical Education, Parts I, II, III. and IV. Presented by Hon. Mr. Crothers, 4th June, 1913.
Printed for distribution and sessional papers.

192. Return to an Order of the House of the 24th February, 1913, for a copy of all memoranda, letters, papers and documents relating to the setting apart of a forest reserve on the north side of the Saskatchewan river opposite the City of Prince Albert. Presented 2nd April, 1913.—*Mr. Oliver*.....*Not printed.*

192*a*. Return to an Order of the House of the 26th February, 1913, for a copy of all memoranda, reports, letters, and other documents of any kind in the possession of the Department of the Interior relating to the suitability for forest reserve or for homesteading purposes, of the whole or any part of townships 24 and 25, range 27, west of the first meridian, now forming part of the Riding Mountain Forest Reserve. Presented 11th April, 1913.—*Mr. Oliver*.....*Not printed.*

193. Return to an Order of the House of the 10th February, 1913, for a copy of all correspondence exchanged between the Department of Marine and Fisheries and the member for Temiscouata, and all other persons, respecting the placing of a light or line of lights on wharf at Ile Verte, County of Temiscouata. Presented 4th April, 1913.—*Mr. Paquet*.....*Not printed.*

194. Copy of a report of the Committee of the Privy Council, approved by His Excellency the Administrator, on the 5th April, 1913, relative to a contract for an ocean mail, passenger and freight steamship service between Canada and Great Britain and Great Britain and Canada, together with the articles of agreement for the said service. Presented by Hon. Mr. Pelletier, 7th April, 1913.....*Not printed.*

195. Return to an Order of the House of the 10th March, 1913, for a statement showing the total volume of trade, in import and export, respectively, between Canada and Newfoundland for each year during the period from the 1st day of January, 1896, to the 1st day of January, 1913, and of what the said trade consisted of each year.

2. The volume of trade between Newfoundland and the West Indian Islands, included in the West Indian trade agreement with Canada, dated the 9th day of April, 1912, during the years 1909, 1910, 1911 and 1912, in import and export, and of what the said import and export consisted of each year. Presented 10th April, 1913.—*Mr. McKenzie.*
Not printed.

195*a*. Supplementary return to an Order of the House of the 10th March, 1913, for a statement showing the total volume of trade, in import and export, respectively, between Canada and Newfoundland for each year during the period from the 1st day of January, 1896, to the 1st day of January, 1913, and of what the said trade consisted of each year.

CONTENTS OF VOLUME 28.—*Continued.*

2. The volume of trade between Newfoundland and the West Indian Islands, included in the West Indian trade agreement with Canada, dated the 9th day of April, 1912, during the years 1909, 1910 1911 and 1912, in import and export, and of what the said import and export consisted of each year. Presented 21st April, 1913.—*Mr. McKenzie* ....*Not printed.*

196. Return to an Order of the House of the 9th December, 1912, for a copy of all letters, telegrams, and correspondence referring in any way to the purchase or leasing of the property in Antigonish, N.S., now in use as a gun shed or store house for the equipment of the 18th Field Battery of Artillery. Presented 14th April, 1913.—*Mr. Chisholm (Antigonish)*..... .....*Not printed.*

197. Return to an Order of the House of the 19th March, 1913, for a copy of all tenders asking for the construction of a drill hall at Fernie, B.C., of all correspondence concerning the awarding of the contract, and of all correspondence and documents regarding said tender and contract. Presented 14th April, 1913.—*Sir Wilfrid Laurier.* *Not printed.*

197*a*. Supplementary return to an Order of the House of the 19th March, 1913, for a copy of all tenders asking for the construction of a drill hall at Fernie, B.C., of all correspondence concerning the awarding of the contract, and of all correspondence and documents regarding said tender and contract. Presented 6th June, 1913.—*Sir Wilfrid Laurier*..... ....*Not printed.*

198. Return to an Order of the House of the 24th February, 1913, for a copy of all correspondence and documents between the government of Canada or any officer thereof, and one Miss Mastin, of England, relating to a presentation of certain chinaware and other curiosities, made to the Government by the said Miss Mastin, in memory of the defeat at the polls of the agreement relating to reciprocity with the United States. Presented 14th April, 1913.—*Mr. Sinclair*.....*Not printed.*

199. Return to an Order of the House of the 19th March, 1913, for a return showing the names, professions or occupations, residences, the date of appointment, and the salary in each case, of all correspondents of the *Labour Gazette*, and also the number of changes made in that particular for the year 1912. Presented 22nd April, 1913.—*Mr. Verville* ....*Not printed.*

200. Return to an Order of the House of the 26th March, 1913, for a return showing the amount of seed grain supplied to settlers in Peace River during the year 1912; the amount of seed grain being provided for settlers in Peace River during 1913; who distributed the seed grain supplied in 1912 and who is authorized to distribute seed grain in 1913; under what conditions seed grain was supplied during 1912, and those proposed for 1913; if provisions were supplied during 1912, what the conditions were and who gave out the supplies; if it is intended to supply provisions in 1913, what conditions will be given and who will give them out. Presented 25th April, 1913.—*Mr. Oliver* ....*Not printed.*

201. Return to an Order of the House of the 7th April, 1913, for a copy of all documents in the Department of the Interior prior to the issue of the Crown patents relating to Lot No. 217 of the Hudson Bay Company Survey, in the parish of St. John, Winnipeg. Presented 25th April, 1913.—*Mr. Proulx*.....*Not printed.*

202. Return to an Order of the House of the 31st March, 1913, for a copy of all correspondence claims and reports with reference to compensation claimed by owners of horses attached to the 10th Field Battery at Camp Petawawa in the summer of 1912, by rea-

CONTENTS OF VOLUME 28.—*Continued.*

son of damage or disease contracted while in the service; also of all such claims paid, the amounts in each case, and the persons to whom paid. Presented 25th April, 1913.—*Mr. Carvell*.....*Not printed*

203. Return to an Order of the House of the 11th December, 1912, for a copy of all papers, documents, pay-rolls, accounts, receipts, and correspondence in connection with all expenditures of money made in 1912 upon the Petite Rivière breakwater, Lunenburg County, Nova Scotia. Presented 29th April, 1913.—*Mr. Maclean (Halifax)*.
Not printed.

203a. Return to an Address to His Royal Highness the Governor General of the 9th December, 1912, for a copy of all advertisements, tenders, contracts, orders in council, letters, correspondence, &c., relating to the construction of a wharf or breakwater at Seaforth, Halifax County, N.S. Presented 29th April, 1913.—*Mr. Maclean (Halifax)*.
Not printed.

203b. Return to an Order of the House of the 20th March, 1912, for a copy of all documents, letters, correspondence, petitions, reports, &c., addressed to the Department of Public Works since the 21st September last on the subject of a wharf now under construction at St. Croix, in the County of Lotbinière, province of Quebec. Presented 29th April, 1913.—*Mr. Fortier*.....*Not printed.*

203c. Return to an Order of the House of the 19th March, 1913, for a return showing whether the repairs to Red Point wharf, Lot 48, Prince Edward Island, have been completed; if the work was done by tender or by day labour; if by tender, with whom the contract was made; if by day labour, the number of superintendents, inspectors, or overseers employed, their names, the number of days each did work, and the wages per day paid to each; the number of men employed, their names, the number of days each did work and the wages per day paid to each; who supplied the materials; the amount of each kind or class used, and the price paid for each kind or class; the total amount paid for materials, wages and cost of the work. Presented 2nd May, 1913.—*Mr. Hughes (Kings, P.E.I.)*.....*Not printed.*

203d. Return to an Order of the House of the 31st March, 1913, for a copy of all documents, papers, correspondence, representations, &c., relating to the purchase of land at Digby, Nova Scotia, for the purpose of a site for a public wharf. Presented 2nd May, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

203e. Return to an Order of the House of the 19th March, 1913, for a return showing whether the repairs to Southport wharf, Lot 48, Prince Edward Island, have been completed; if the work was done by tender or by day labour; if by tender, with whom the contract was made; if by day labour, the number of superintendents, inspectors, or overseers employed, their names, the number of days each did work, and wages per day paid to each; the number of men employed, their names, the number of days each did work and the wages per day paid to each; who supplied the materials; the amount of each kind or class used and the price paid for each kind or class; the total amount paid for materials, wages and cost of the work. Presented 2nd May, 1913.—*Mr. Hughes (Kings, P.E.I.)*.....*Not printed.*

203f. Return to an Order of the House of the 11th December, 1912, for a copy of all accounts, correspondence, telegrams, complaints and other documents in possession of the Department of Public Works, in relation to the expenditure of moneys on harbour improvements at Grand Etang, during the year 1911-12. Presented 13th May, 1913.—*Mr. Chisholm (Inverness)*.. .. .. .

CONTENTS OF VOLUME 28.—*Continued.*

203*g*. Return to an Order of the House of the 7th April, 1913, for a copy of all documents, correspondence, &c., relating to the purchase by the Department of Public Works of a certain quantity of timber for the construction of a wharf at St. Germain de Kamouraska, the said purchase having been made, as alleged, from Murray Castonguay during the year 1912. Presented 26th May, 1913.—*Mr. Lapointe (Kamouraska).* *Not printed.*

203*h*. Return to an Order of the House of the 29th January, 1913, for a copy of all letters written to the Honourable Minister of Public Works, or to any officer of the Public Works Department, or to any member of the government since 10th October, 1911, by G. A. R. Rowlings, John S. Wells and S. R. Griffin, relating to the construction of public works, County of Guysborough, N.S., also a copy of the replies to the same. Presented 29th May, 1913.—*Mr. Sinclair*.....*Not printed.*

203*i*. Return to an Order of the House of the 7th May, 1913, for a copy of all correspondence exchanged between the Postmaster General and M. Isidore Belleau, of Quebec, in connection with improvements contemplated in Quebec harbour. Presented 2nd June, 1913.—*Mr. Carvell*.....*Not printed.*

203*j*. Return to an Order of the House of the 28th April, 1913, for a copy of all papers, documents, pay-rolls, receipts, accounts, correspondence, &c., relating to repairs made upon the breakwater at Petite Rivière, Lunenburg County, N.S., in the year 1912. Presented 6th June, 1913.—*Mr. Maclean (Halifax)*.....*Not printed.*

204. Return to an Order of the House of the 4th March, 1912.—1. For a copy of all reports of engineers from 1874 to 1900, relating to the most suitable site in the harbour of Quebec for the construction of a dry dock.

2. Of all correspondence exchanged on the subject of a choice of a site for the dry dock now existing at St. Joseph de Lévis, at the time of its construction.

3. Of engineers reports, plans, maps and bearings relating to the construction of a new dry dock in the port of Quebec since 1900.

4. Of all correspondence exchanged between the different companies and the government relating to the construction of a new dry dock in the port of Quebec, since 1909.

5. Also for the production of all documents submitted by the different companies who have asked for the government grant provided by the Dry Dock Subsidies Act. Presented 29th April, 1913.—*Mr. Béland*.....*Not printed.*

204*a*. Dry dock of Lévis. Report of Mr. Charles Smith against Sampson, et al.—(*Senate*). *Not printed.*

204*b*. Return to an Address to His Royal Highness the Governor General of the 19th March, 1913, for a copy of all orders in council, plans and estimates, correspondence, papers and inquiries respecting the construction of a dry dock at Quebec or Lévis or in the port or harbour of Quebec. Presented 6th June, 1913.—*Mr. Lachance*....*Not printed.*

205. Return to an Order of the House of the 9th April, 1913, for a copy of the petition of the Restigouche Fishermen's Association to the Minister of Marine and Fisheries asking for the removal of Mr. M. M. Mowat, head guardian of the Restigouche Riparian Association as Dominion fishery officer, and the answer thereto. Presented 2nd May, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

206. Return to an Order of the House of the 13th February, 1913, for a return showing the name of the company who has the contract for the electric lighting of the government buildings and grounds in Ottawa, date of contract and period, on what notice can contract be cancelled, price paid per kilowatt hour for electric lighting, names of

CONTENTS OF VOLUME 28.—*Continued.*

buildings lighted, cost of lighting each per year, rate for electric lighting if a combined power and light rate, price for current for power purposes, if lamps are not free, price paid for the carbon and tungsten lamps renewed, are lamps marked so as to be identified as belonging to the government buildings, number of electric lamp renewals paid for during the last fiscal year, where required, number of carbon and tungsten lamps respectively in use in the several buildings and the candle power or wattage of the same. Presented 2nd May, 1913.—*Mr. Wilson (Wentworth)*
Not printed.

207. Return to an Order of the House of the 17th February, 1913, for a copy of all correspondence, letters, telegrams, petitions, memoranda, reports, tenders, deposits, recommendations and all other documents of any nature whatsoever bearing on or having relation to the erection of a public building in the city of Three Rivers, P.Q., since the 11th day of October, 1911, to date. Presented 2nd May, 1913.—*Mr. Bureau.*
Not printed.

207*a*. Return to an Order of the House of the 26th May, 1913, for a copy of all papers, letters, and documents relating to the construction of a public building in the town of Laurentides, County of L'Assomption. Presented 4th June, 1913.—*Mr. Seguin.*
Not printed.

207*b*. Return to an Order of the House of the 2nd April, 1913, for a copy of all correspondence, letters, telegrams, contracts, tenders and reports of government inspector, in relation to the work and repairs on the public building at North Sydney during the year 1912, and particularly the inspector's report on the damages caused by fire during the construction of said works and repairs; and also a copy of the tenders of Henry Lovell, for the above work. Presented 6th June, 1913.—*Mr. McKenzie.*
Not printed.

207*c*. Return to an Order of the House of the 27th January, 1913, for a copy of all telegrams, letters, documents and plans relative to the purchase or acquirement of land for the purpose of erecting a public building in Stellarton, Nova Scotia, in the year 1912. Presented 6th June, 1913.—*Mr. Macdonald*.....*Not printed.*

208. Return to an Order of the House of the 24th February, 1913, for a return showing the names of the buildings occupied by the Government as public offices, which are under rent, excepting the Centre, East, West and Langevin Blocks; the street on which each of these offices is situated and the number of the street in each case. Presented 2nd May, 1913.—*Mr. Boulay*.....*Not printed.*

209. Return to an Order of the House of the 11th December, 1912, for a copy of all accounts, correspondence, telegrams, complaints and other documents in possession of the Department of Public Works, relating to the construction of telegraph lines during the year 1911-12, from South West Margaree to Scotsville, from Scotsville to North Ainslee; from Scotsville to South Lake Ainslee and Whycocomagh; from Little Narrows to Whycocomagh; from Rossville to Big Intervale and from Rossville to the Victoria County Boundary Line, all in the County of Inverness. Presented 2nd May, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed.*

210. Correspondence in connection with the area or areas prescribed for mange in British Columbia.—(*Senate*).... ....*Not printed.*

211. Report made by the Central Railway of Canada to the Railway Department.—(*Senate*).
Not printed.

CONTENTS OF VOLUME 28.—*Continued.*

212. Return to an Address to His Royal Highness the Governor General of the 10th February, 1913, for a copy of all orders in council, letters, telegrams and of all other official documents of any kind in the possession of the Department of Customs, relating to the seizures of twenty horses from John Gobel, for smuggling them across the United States boundary near Coutts, or Writing-on-Stone, between the 20th and 28th of February, 1911. Presented 5th May, 1913.—*Mr. MacNutt*.....*Not printed.*

213. Return to an Address to His Royal Highness the Governor General of the 10th February, 1913, for a copy of all orders in council, letters, telegrams and of all other official documents of any kind in the possession of the Department of the Interior, relating to sale of school lands which have been held in the provinces of Alberta and Saskatchewan since the 12th day of October, 1911. Presented 7th May, 1913.—*Mr. McCraney*.....*Not printed.*

213*a*. Return to an Order of the House of the 2nd April, 1913, for a return showing by quarter-section, or fraction of quarter-section, all school lands sold in Manitoba, Saskatchewan and Alberta during the calendar year 1912; the price per acre at which each separate parcel was sold; the name and address of each purchaser; a list of all school lands sold at above sales which have since been cancelled; the price at which each parcel of said cancelled lands were sold, with the names and addresses of purchasers of each parcel of said lands sold and subsequently cancelled. Presented 23rd May, 1913.—*Mr. Turriff*.....*Not printed.*

213*b*. Return to an Order of the House of the 12th February, 1913, for a return showing all school lands sold in the province of Saskatchewan in 1912, giving each parcel of land sold, the name and address of each purchaser, the date and place of sale, the name of the auctioneer at each sale, and any assignments of contracts of purchase of which the government has notice, and a copy of all correspondence passing between the Government, or any member thereof, and the Government of the province of Saskatchewan or any member thereof, with respect to the sale of school lands in the said province. Presented 6th June, 1913.—*Mr. Martin (Regina)*.....*Not printed.*

214. Return to an Order of the House of the 9th April, 1913, for a copy of all petitions, affidavits, specifications, plans, drawings, claims, certificates, papers and patent rights in the Department of Agriculture or the Patents Branch thereof, with respect to Patent Number 142823. Presented 7th May, 1913.—*Mr. Carvell*.....*Not printed.*

215. Return to an Order of the House of the 28th April, 1913, for a copy of all memorials, petitions, and letters, addressed to or sent by the Minister of Agriculture, or on his behalf, in connection with the establishment of an agricultural school, model farm or demonstration station at New Carlisle, Quebec. Presented 9th May, 1913.—*Mr. Marcil (Bonaventure)*.....*Not printed.*

216. Return to an Order of the House of the 28th April, 1913, for a copy of all telegrams, correspondence, returns, &c., between the Department of Agriculture, and any other person or persons, requesting recently that the Veterinary Director General of Canada visit Nova Scotia. Presented 9th May, 1913.—*Mr. Maclean (Halifax)*.
Not printed.

217. Extent to which the Franking privilege is used by the several provinces in Canada for statistics.—*(Senate)*.....*Not printed.*

218. Return to an Order of the House of the 29th January, 1913, for a copy of all diaries and other documents relating to and showing the work performed during the months of June and July, 1912, by Homestead Inspectors Rathwell and Erratt in the Moosejaw land district. Presented 16th May, 1913.—*Mr. Knowles*.....*Not printed.*

CONTENTS OF VOLUME 28.—*Continued.*

218*a*. Return to an Order of the House of the 29th January, 1913, for a copy of all diaries relating to and showing the work performed during the months of June and July, 1912, by Homestead Inspectors Brandt, Balfour, Ouelette and Sipes, in the Regina land district. Presented 16th May, 1913.—*Mr. Martin (Regina).....Not printed.*

218*b*. Return to an Order of the House of the 29th January, 1913, for a return showing the expenses of Homestead Inspectors Brandt, Balfour, Ouelette and Sipes during the months of June and July, 1912. Presented 16th May, 1913.—*Mr. Martin (Regina).* *Not printed.*

218*c*. Return to an Order of the House of the 29th January, 1913, for a return showing the expenses of Homestead Inspector Miller of the Moosejaw land district during the months of June and July, 1912, together with a copy of all reports, proceedings, diaries and other documents, showing the work performed during the said time by the said homestead inspector. Presented 16th May, 1913.—*Mr. Knowles.....Not printed.*

218*d*. Return to an Order of the House of the 29th January, 1913, for a copy of all diaries and other documents relating to and showing the work performed during the months of June and July, 1912, by Homestead Inspectors Shields and McLaren, in the Swift Current lands district. Presented 23rd May, 1913.—*Mr. Knowles.....Not printed.*

218*e*. Return to an Order of the House of the 29th January, 1913, for a return showing the expenses of Homestead Inspectors Shields, McLaren, Erratt and Rathwell, during the months of June and July of 1912. Presented 26th May, 1913.—*Mr. Knowles.* *Not printed.*

219. Return to an Order of the House of the 26th March, 1913, for a copy of all papers, memoranda, and instructions relating to a certain area of land on the bank of Little Manitou Lake, Saskatchewan, recently transferred to the town of Waterous, for park purposes. Presented 16th May, 1913.—*Mr. Oliver.....Not printed.*

220. Return to an Order of the House, of the 4th December, 1912, for a copy of all correspondence and other documents in the possession of the Department of Public Works relating to the proposed interprovincial bridge between Hawkesbury, Ontario, and Grenville, Quebec. Presented 26th May, 1913.—*Mr. Proulx.....Not printed.*

221. Return to an Order of the House of the 1st April, 1913, for a copy of all complaints, charges, evidence and reports in connection with the investigation held at Aldershot, N.S., in September, 1912, relating to the alleged thefts of property from the militia camp. Presented 26th May, 1913.—*Mr. Kyte.....Not printed.*

221*a*. Return to an Order of the House of the 21st April, 1913, for a copy of all notices, tenders, contracts and correspondence relating to the supplying of ice for the military comp at Aldershot, N.S., for 1913, and of all correspondence relating to the source of such ice supply. Presented 26th May, 1913.—*Mr. Kyte.....Not printed.*

222. Return to an Order of the House of the 17th February, 1913, for a copy of all letters, proposals, tenders, memoranda, papers and documents in the possession of the Department of Trade and Commerce, or any department of the Government, bearing date since 1st December, 1912, relating to steamship service between Canada and the West Indies. Presented 27th May, 1913.—*Mr. Maclean (Halifax).....Not printed.*

222*a*. Return to an Order of the House of the 2nd April, 1913, for a copy of all correspondence, petitions, letters, telegrams, and other documents in the Department of Trade and Commerce, or any department of the Government, relating to the SS. service,

CONTENTS OF VOLUME 28.—*Continued.*

between Mulgrave, County of Guysborough and Cheticamp, Inverness County, during the years 1910-11, 1911-12, and 1912-13, and the service to be continued during the year 1913-14. Presented 27th May, 1913.—*Mr. Chisholm (Inverness)*.....*Not printed.*

223. Return to an Order of the Senate calling upon the Clerk of the House to furnish a statement showing the number of Bills passed by the House of Commons since Confederation, which have been:—1. Amended by the Senate. 2. Rejected by the Senate. 3. Amended by the Senate and accepted by the Commons.—(*Senate*).....*Not printed.*

224. Return to an Order of the House of the 14th May, 1913, showing whether a contract was passed by the Post Office Department in the year 1911, for the use of stamp vending machines, the terms of said contract, the date, and by whom signed. Presented 2nd June, 1913.—*Mr. Lemieux*.....*Not printed.*

225. Ordinances of the Yukon Territory, passed by the Yukon Council in the year 1913. Presented by Hon. Mr. Coderre, 2nd June, 1913.....*Not printed.*

226. Names of judges of Superior and Circuit Court in province of Quebec, date of appointment, &c.—(*Senate*).....*Not printed.*

227. Return to an Order of the House of the 19th May, 1913, for a return showing the per capita taxation for the year ending 31st March, 1913, and for each of the twelve preceding years. Presented 3rd June, 1913—*Mr. Hughes (Kings, P.E.I.)*....*Not printed.*

228. Return to an Order of the House of the 29th May, 1913, for a return showing whether a certificate has been issued by the Treasury Board authorizing the transfer of the assets and liabilities of La Banque Internationale du Canada to the Home Bank; the terms of the said transfer, and all documents bearing on this question. Presented 3rd June, 1913.—*Mr. Lemieux*.....*Not printed.*

229. Report of the Canadian delegates to the International Conference, held at New York for the consideration of the Commemoration of the First Century of Peace between the United States and the British Empire. Presented by Hon. Mr. Borden, 5th June, 1913.....*Not printed.*

230. Return to an Address to His Royal Highness the Governor General of the 10th March, 1913, for a copy of all correspondence, memoranda, orders in council, departmental orders and reports from fishery overseers or other officers, during the past two years, relating to weir licenses in the waters of the Counties of Charlotte and St. John, Province of New Brunswick. Presented 6th June, 1913.—*Mr. Pugsley*.....*Not printed.*

231. Return to an Order of the House of the 24th February, 1913, for a copy of all letters and papers relating to the issue of half-breed scrip, warrant No. 2155, certificate No. 672, to Albert St. Denis, and the disposition of the said scrip. Presented 6th June, 1913.—*Mr. Oliver*.....*Not printed.*

232. Return to an Address to His Royal Highness the Governor General of the 3rd February, 1913, for a copy of all papers in connection with the withdrawal from settlement of a strip of land one mile in width along the line of the Hudson Bay Railway, and of the order in council, and also of all plans and correspondence in connection with the same, prior and subsequent thereto. Presented 6th June, 1913.—*Mr. Graham.* *Not printed.*

233. A return to an Order of the Senate dated 7th March, 1913, for a copy of all papers, letters, petitions, contracts and other papers relating in any way to the purchase of land at Le Pas for terminus of Hudson Bay road.—(*Senate*).....*Not printed.*

REPORT

ON THE

ORGANIZATION OF THE PUBLIC SERVICE OF CANADA

BY

SIR GEORGE MURRAY

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CERTIFIED *Copy of a Report of the Committee of the Privy Council, approved by His Excellency the Deputy Governor General on the 7th October, 1912.*

The Committee of the Privy Council have had under consideration a report under date of the 30th September, 1912, from the Right Honourable the Prime Minister, in which he observes that he has engaged the Right Honourable Sir George Murray, G.C.B., to undertake an inquiry into certain matters affecting the operation of the Civil Service Acts, the organization of the public service and the methods of administration under which the public business of Canada is carried on; and that Sir George Murray has arrived in Ottawa and has commenced the consideration of the matters aforesaid.

The Prime Minister further reports that the time which Sir George Murray will be able to spend in this country will be somewhat limited, and that it is desirable to define the scope of the inquiry upon which he is to engage.

The Prime Minister recommends that his action in engaging the Right Honourable Sir George Murray be confirmed, and that he be requested to give such consideration as may be possible within the time at his disposal to the following subjects and to report thereon:—

1. The methods employed in the transaction of public business.
2. The control of appropriations and expenditure.
3. The administrative methods and operations of the chief spending Departments, including:—
   (*a*) the manner in which appointments to the public service are made;
   (*b*) the manner in which promotions within it are made;
   (*c*) the manner in which retirements are effected;
   (*d*) the classification of the staff and the distribution of duties in each Department and the duplication of the same or similar work in two or more Departments;
   (*e*) the distribution of the work between the several departments or authorities.
4. Generally the manner in which the public business of the Dominion is administered.

The Prime Minister further recommends that for the purpose aforesaid the Right Honourable Sir George Murray, G.C.B., be appointed a Commissioner under the provisions of the Inquiries Act, Revised Statutes of Canada, 1906, Chapter 104, with all the powers conferred by the same Statute, and that a commission do issue to him accordingly.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

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REPORT ON THE PUBLIC SERVICE OF CANADA

BY

SIR GEORGE MURRAY

The Right
Hon. R. L. Borden, K.C.,
Prime Minister.

Ottawa, November 30, 1912.

Sir,—I have the honour to inform you that, so far as the time at my disposal will permit, I have completed the inquiry, with which you were good enough to entrust me, into the organisation of the public service of Canada; and I beg to submit the following report.

(2) At the outset I may perhaps be allowed to say that no one can be more conscious than I am how little weight any views of mine on this subject are entitled to carry, owing to the difficulty of forming a judgment on matters depending so largely on local conditions and local sentiment, the effect of which cannot be fully realized without a prolonged stay in the country. I ought, however, to add that while there are some points to which I should have been glad to give more attention if time had permitted, there are others on which I think it is unlikely that my conclusions would have been affected by further consideration.

(3) I propose to deal with the questions referred to me in the order in which they stand in my instructions.

I.—THE METHODS EMPLOYED IN THE TRANSACTION OF PUBLIC BUSINESS.

(4) My suggestions under this head will be confined almost exclusively to the functions of Ministers and the possibility of affording them relief, leaving for a later portion of the report some other questions of departmental organisation.

(5) Nothing has impressed me so much in the course of my inquiry as the almost intolerable burden which the present system of transacting business imposes on Ministers themselves. They both have too much to do and do too much.

(6) Speaking broadly, it may be said that every act of the Executive Government, or of any member of it, requires the sanction of the Governor in Council which, under present practice, is identical with the Cabinet.

(7) The number of these Orders in Council averages from three thousand to four thousand per annum, and their subject matter ranges from questions of the highest importance, such as the approval of a treaty with some foreign Power, the disallowance of provincial legislation, the appointment of a judge, or the exercise of the prerogative of mercy, down to the acceptance of a tender for the erection of a pump, the promotion of a clerk from one grade to another, and the appointment of a lighthouse keeper or an exciseman.

(8) Almost every decision of a Minister, even of the most trivial importance, is thus—at least in theory—brought before his colleagues for the purpose of obtaining their collective approval, which is necessary for its validity.

(9) Provisions to this effect can be traced in almost every Act of Parliament which has been passed since Confederation; and it seems clear that the statesmen of that time thought it necessary to ensure that the collective responsibility of the Cabinet for the action of individual Ministers should be protected by safeguards of this kind.

(10) But I need scarcely point out that a great deal has happened since 1867, and that methods of administration which may have been well adapted to the circumstances of those days have become quite unsuitable after the lapse of nearly half a century.

(11) With the increase of population, the extension of trade, and the development of the various activities of the State, the business of Government necessarily grows both in amount and in complexity.

(12) The only means by which this growth can be met is by division of labour and devolution of power. In the absence of some continuous process of this kind the machinery of government must gradually become less efficient and must ultimately break down under the stress imposed upon it.

(13) Many topics which, in the early stages of national life, may properly form the subject of collective discussion and decision, will in the course of time diminish in relative importance, and must be dealt with in some more summary fashion.

(14) The first suggestion which I have to offer is that many of the powers now vested in the Governor in Council should, by some process of devolution, be transferred to individual Ministers. At times mistakes will no doubt be made. These mistakes will occasionally be inconvenient to the Administration; and it may be conceded that some of them are such as might have been avoided by fuller discussion or consideration. But these are risks which must be run, and which are inherent in the working of any highly developed organisation. Under present conditions it is practically impossible that all Ministers should take part in all decisions.

(15) Legislation would, of course, be required in order to effect such a change, since the duties to which I have referred are imposed on the Governor in Council by statute; but the legislation, though complicated in detail, would not be likely to raise many questions of a controversial character. It would, I think, be generally conceded that a Minister should be able to give leave of absence to the officers of his department; to grant statutory increases of salary; to sanction the acceptance of tenders, except where very large amounts or questions of principle are involved; to make appointments to vacancies; and to promote the clerks in his department from one class to another.

I only mention these as illustrations of the general character of the changes proposed. There are many others which will readily occur to any one who will examine the details of the existing system.

(16) I suggest therefore that a Committee of Ministers should be appointed to review the whole of the duties now discharged by Council, and select those which can safely be left to the discretion of the individual Ministers. All that would then be necessary would be to schedule these particulars, and provide by statute that the powers hitherto exercised by the Governor in Council should be transferred to the several Heads of the departments concerned.

(17) If, in view of the importance which is attached in this country to even minor appointments and promotions, such a reform is considered too drastic to be fully adopted at once, a board of two or, at most, three Ministers, with an equal number of permanent officials, might be constituted, and charged with the duty of considering all appointments and promotions recommended in any department. If approved by the Board, the decision of the Minister would take effect at once, or with such modifications as the Board thought advisable.

(18) Even after this relief has been given to the Governor in Council there will still remain many matters which, though of small intrinsic importance, must for various reasons receive the approval of the highest administrative authority. There will always be some decisions which, though properly taken by an individual Minister on his own responsibility, may yet require the outward form of sanction by the Governor in Council.

(19) Whenever this sanction is merely formal and does not require the collective consideration of Ministers it should be given at a meeting of Council constituted for the purpose. It is not necessary that the whole body of Ministers should attend; the minimum quorum would be sufficient for the purpose and the business, being formal, would be rapidly transacted.

(20) In other words a distinction should be drawn between a meeting of the Cabinet and a meeting of Council.

At present the Cabinet, besides performing its proper functions of discussing and deciding questions of high policy, is compelled to conduct a large amount of purely routine business. If the latter were relegated to a meeting of Council summoned *ad hoc* and in much smaller numbers, the time at the disposal of the Cabinet for its more important duties could be better employed.

(21) In this connection reference should be made to another institution closely allied to the Council, namely, the Treasury Board.

This Board consists of six Ministers, acting as a committee of the Privy Council, and deals with such matters relating to finance, revenue and expenditure, and public accounts, as are referred to it by Council. In practice the references to it include all proposals relating to the appointment, promotion, salary, pension, leave of absence, and allowances, of any official in the public service. But, notwithstanding the unimportant character of nearly all these subjects, the Board has no power to deal finally with them. Reports have to be made to Council in all cases.

(22) Such matters do not appear to me to require the personal consideration either of Council or of a Board of six Cabinet Ministers; and in my judgment no harm could ensue if the Board were abolished and its duties discharged by the several Departments concerned; or by the Appointment and Promotion Board, if it is thought advisable to adopt the alternative suggestion made in paragraph 17.

(23) The Board has some other and more important duties to perform under the Bank Act, the Consolidated Revenue and Audit Act, the Finance and Treasury Board Act, the Savings Bank Act, the Penny Banks Act and the Insurance Act; but all these could be equally well discharged by the Minister of Finance, within whose sphere of action they seem naturally to fall; subject, of course, to consideration by the Cabinet when any important question of policy was involved.

(24) So far I have dealt only with the business of the Ministers in their corporate or collective capacity. I propose next to consider whether they could not be relieved of some of the work which now falls on them as Heads of Departments. At present they appear to transact in this capacity a great deal of business which need not engage their attention and could be equally well done by others. As an illustration of this, I may refer to an Order in Council of December, 1905, under which every requisition for furniture, fittings, and repairs, for all public buildings throughout the Dominion must be countersigned by the Minister of the Department making the requisition. A similar practice prevails with respect to certain articles supplied by the Stationery Department.

(25) The business of a Minister is not to administer, but to direct policy. When a Minister has laid down a line of policy to be adopted in his Department, the carrying out of this policy, or in other words the administration of the Department, should be left to his subordinates.

If I venture to make this statement in a rather dogmatic form it is because I am convinced that it is the foundation of any sound system of departmental organisation.

(26) Under the conditions which now prevail in Canada, and to which I have already referred, it is essential that a Minister, if he is to have time for the consideration of questions of policy and for his other important duties, should be relieved as far as possible of all purely administrative work. This, of course, involves the imposition of greater responsibility on the Deputy Heads of Departments. Their duty should be to give executive effect to the Ministers' decisions; they should be charged with the whole responsibility for the administration of their Departments, and should be the only channel through which the Minister acts.

(27) I realize, of course, that under any such scheme the Deputy Heads would require to be selected with great care, and that more power would be placed in their hands than under the existing system. But I cannot believe that it is impossible to find competent men to fill these positions under the new conditions which I have indicated.

(28) I have one further suggestion to make by which more relief could be given to Ministers.

Under present conditions there is only one political officer in each Department, namely, the Minister in charge of it. As a Cabinet Minister he has work of the highest importance to perform outside his Department; and even if the relief which I have above indicated could be afforded to him within his Department, his parliamentary and other duties would still be a heavy tax on his time, especially in the case of those Ministers who are in charge of the more important Departments. I suggest that in these Departments—probably four or five in number—a political Deputy Minister should be appointed who would be able to relieve the Minister himself not only of some of the departmental work but of many interviews and negotiations with Members of Parliament and others. It would, of course, be necessary that he should enjoy the full confidence of the Minister so that he could speak generally in the name of the latter without specific reference to him, and in other cases could refer for directions as occasion required.

II.—THE CONTROL OF APPROPRIATIONS AND EXPENDITURE.

(29) By the control of appropriations I understand the methods which Parliament has prescribed for securing that the funds which it grants for the various purposes of Government are applied to those purposes and to no other. This seems to me to be adequately provided for under the existing law, which is effectively carried out by the Auditor General.

(30) The control of expenditure may be considered from two points of view; there is the control exercised by the Government over its own Departments; and the control exercised by Parliament over the proposals of the Government.

(31) The latter may, I think, be regarded as negligible for the present purpose. In theory the control of Parliament over expenditure is complete; in practice it is of little value. This is partly due to the fact that, as the Government must necessarily command a majority in the House of Commons, it can generally secure the passing of its own estimates; and partly because notwithstanding many professions of a desire for economy in the abstracts, Members will generally be found demanding increased expenditure for purposes in which their constituencies are interested, rather than reductions on items which do not fall under this category.

(32) In short, the control of public expenditure must depend almost entirely on the Government of the day; and here again we shall generally find that individual Ministers, while not unwilling to acquiesce in the reduction of the estimates of other Departments, are *prima facie* disposed to recommend increased expenditure in their own.

(33) The Minister of Finance, who is responsible for raising the necessary taxation, is therefore, as a rule, the only Minister who has a strong inducement to press for economy.

The point of time at which he can use his influence with the best effect is while the estimates are under consideration and before they have been presented to Parliament. Proposals for expenditure which have passed this stage may be regarded in practice as unlikely to be further amended except in the direction of increase.

(34) The system under which the estimates are at present framed, criticised, and presented does not appear to me calculated to promote economical administration.

(35) They are drawn up, in the first instance, by individual Ministers who are likely to be influenced largely by their own prepossessions, and by the pressure put upon them by Members of Parliament.

The estimates so prepared are then subjected to the examination of the Department of Finance; but this examination, owing to pressure of time, has necessarily been of a somewhat cursory character, and directed rather to the totals of the votes than to the details.

The final settlement is arrived at in Council, usually after oral discussion between Ministers.

(36) This method appears to me to be at once wasteful of the time of the Ministers and unlikely to result in effective control, which can only be secured by persistent criticism of details, carried on by means of written correspondence in the first instance, rather than by oral discussion, and under conditions which permit of a thorough examination of the proposals.

(37) I suggest that the Department of Finance should be definitely charged with this duty. Every item of new or increased expenditures should be closely scrutinisel; and the Department proposing it should be called on to state in sufficient detail the ground on which the expenditure is required; the reasons which prevent its being deferred to a later date; and the consequential expenditure which will be rendered necessary in future years if the proposal is sanctioned.

(38) I think it is important that these proceedings should be carried on in writing. Oral criticism in Council by the Minister of Finance, and oral replies by his colleagues are necessarily but imperfect methods for either attacking or defending proposals made.

(39) Arguments which may sound plausible in debate often lose much of their force when subjected to the kind of criticism which is only possible in the light of full information and accurate statements of fact. Pledges given in conversation are apt to be forgotten afterwards, and it is always desirable to keep on record statements of fact or arguments used in defence of particular points of policy.

(40) Correspondence will, of course, take time; but there must be great inconvenience in the present system under which the examination of all the estimates must be concentrated in the short period which elapses between the date when they are forwarded to the Department of Finance and the date at which they must be submitted to Parliament.

(41) Proposals for increased expenditure are probably being framed in the Departments throughout the year; and it is not easy to see why they should not be submitted for the approval of the Finance Department, as and when they are matured. This would relieve the pressure in the period immediately before the estimates are presented to Parliament, and would enable many of the proposals to be considered with due deliberation. Any sanction given in the course of the year would, of course, be provisional and subject to any modifications which might hereafter be found necessary when the final estimates for the ensuing year were under consideration.

(42) When the process of examination was completed the proposals for expenditure would be reviewed by the Minister of Finance; and those which were accepted by him need not be considered again; those to which he raised objections not accepted by his colleagues would be referred to the Cabinet for discussion by the whole body

of Ministers. The Cabinet would thus be relieved of an immense amount of discussion on the details of the estimates which is necessary under the present system, and would have to deal only with those points on which there was an irreconcilable difference of opinion between the Minister of Finance and one of his colleagues.

(43) In at least one respect the existing financial system seems to me unnecessarily rigid. Under section 41 of the Consolidated Revenue and Audit Act the Auditor General is directed to see that no payment of any public money is made for which there is no direct parliamentary appropriation, or which is in excess of any such appropriation.

(44) The result of this provision is that (except during the parliamentary recess when special powers are available to meet urgent and unforeseen expenditure) no money can be spent on any service not specially provided for in the estimates, nor can the sum provided for any service be exceeded.

(45) But it must occasionally happen, for example, that a public work for which specific provision has been made in the estimates, turns out in the course of the year not to be required, while some other work *ejusdem generis* proves to be urgently needed; or again, that the amount provided for a work turns out to be insufficient to complete it within the year, and the progress of the work has accordingly to be suspended until further supplies have been made available. I think it would be reasonable, so long as the total provision under the vote was not exceeded, that there should be some means of supplying these deficiencies; and that power might be given to the Minister of Finance on the application of a Department to authorise expenditure of a like kind to that already provided for in the estimates; or to authorise expenditure on a specific service in excess of the provision made.

(46) But in both cases the power should be subject to the limitation that the total amount provided in the vote was not to be exceeded; and it should be clearly understood that the power was not to be used except in really urgent cases.

III.—THE ADMINISTRATIVE METHODS AND OPERATIONS OF THE CHIEF SPENDING DEPARTMENTS, INCLUDING

(*a*) THE MANNER IN WHICH APPOINTMENTS TO THE PUBLIC SERVICE ARE MADE.

(47) The provisions of the law applicable to first appointments are extremely difficult to follow, as the Civil Service Act (R.S. 1906, Chapter 16) has been amended in 1908, 1909, 1910 and 1912. In the latter year, indeed, no less than seven Acts amending it in various respects were placed on the statute book.

(48) As regards the Inside Service the position is fairly clear. No appointment can be made to it without a certificate from the Civil Service Commissioners, who are constituted under the Civil Service Amendment Act of 1908; but whose powers do not apparently extend to the Outside Service.

(49) The normal method of appointment is by competitive examination and this is in practice the method adopted for admission to both Subdivision B of the Second Division and Subdivision B of the Third Division. But under section 21 of the Act of 1908, when the knowledge and ability requisite for a vacant situation are "wholly or in part professional, technical or otherwise peculiar," persons may be appointed without competitive examination. A certificate from the Civil Service Commission is, however, equally necessary in these cases.

(50) As regards the lower grades of officials, such as messengers and porters, whilst a certificate from the Civil Service Commissioners is required, the examination is not competitive but qualifying only.

(51) There are consequently three distinct types of examination for first appointments in the Inside Service; namely, that for Subdivision B of the Second Division, which was intended to correspond with an education approaching the University standard, but is in fact scarcely so high; that for Subdivision B of the Third Division, which represents an education corresponding roughly with that of a High School; and that for the lower grades, which is of an elementary character.

(52) In addition to the above there is the method of admission to the service provided by section 21 of the Act of 1908, which may or may not involve an examination of a more or less special character.

(53) A special qualifying examination is also prescribed in the case of candidates for appointment to the Second Division, who were in the service at the commencement of the Act of 1908 and were then classified in the Third Division under section 6 of that Act. This examination, whilst in some respects similar to the ordinary competitive examination for the same Division, includes also papers on the duties of the particular Department in which the candidate is serving.

(54) So far as I am able to judge, this method of recruiting the service by competitive examination has given general satisfaction and has succeeded in attracting a better class of candidate than the system which it replaced.

(55) The selection of persons for appointments in the public service, and especially in the Second Division, is a peculiarly difficult task because, if the service is to be regarded as a permanent career to which a man is to devote his active life, it becomes necessary to form a judgment not only on his capacity for the work which will fall to him immediately on appointment, but on his capacity some twenty or thirty years later for the higher duties which he may then be required to perform.

(56) No conceivable method of selection can be relied upon to penetrate so far into the future. We must, therefore, be content with such a measure of merit as is evinced by success in a competitive examination in subjects which indicate a previous education of a high standard; and we must assume that the raw material so selected will, with suitable training in the Department, develop the required capacity for the more advanced duties. The system of selection by open competition undoubtedly leaves much to be desired; but in this imperfect world it is not the least perfect institution; at any rate nothing better has yet, in my opinion, been suggested.

(57) For reasons given later* on in this report, I think it is of great importance to maintain an examination of a much higher standard for admission to the Second Division than is necessary for the Third. There may be isolated cases of men who, having entered the Third Division, afterwards show ability which might be usefully applied to the more responsible duties; but these will always be rare, and I think it is scarcely worth while to provide for them at the risk of introducing a lower standard of education into the higher ranks of the service.

(58) While the method of appointment to the Inside Service is on the whole satisfactory, it is a question whether it is attracting as good a class of recruits as it should—and must if the business of the country is to be carried on in an efficient manner.

(59) For this purpose it is necessary to attract the best brains and capacity into the service, and to induce young men to look on it as an honourable career in which they may spend their lives.

(60) One of the main drawbacks to which it is subject from this point of view, is the uncertainty of the prizes attainable. A man of ability will not be induced to enter the service or to put forth his best powers in it, unless he feels that merit is certain of its due reward. Care in the selection of candidates for first appointments is, therefore, not the only requisite; a man must be encouraged to feel that throughout his whole career his advancement depends on his own ability and industry, and that, given the proper measure of these qualities, success is assured to him. So long as promotion does not depend on these qualities alone, but is liable to be affected by other

* Para. 100-1.

considerations, the Civil Service will never be in a position to cope effectively with the growing business of the country.

(61) Confining myself for the moment to the Inside Service alone, I have the following suggestions to make:—

(*a*) The limits of age for appointment are too wide. If a man is to be properly trained in the Civil Service, he should enter it as soon as possible after he has completed his education. Under present conditions the maximum limit of age is 35. Men who come in after 25 have probably attempted some other occupation and failed in it; and there is, moreover, great inconvenience in having officials of 30 and upwards working side by side with younger men and performing duties of an elementary character. For Subdivision B of the Second Division, the limits of age should be 18 and 25. For Subdivision B of the Third Division, it might be desirable to take in youths even below the age of 18. Probably 17 and 21 would be more appropriate limits for candidates for this Division than 18 and 35. For the lower grades age is of less importance than physical vigour; but I think that 45 should be the limit not only for sorters, porters and packers, but for messengers also.

(*b*) In the case of both Subdivisions, the vacancies known to exist should be notified at the time when the examination is announced, and the vacant appointments should be offered to the successful candidates in order of merit. The Departments would, of course, have the right to reject any candidate after probation; but all successful candidates ought to be assured of an appointment, and so far as is practicable, they ought to be allowed, in order of merit, to select the Department in which they will serve.

(*c*) The powers conferred by section 21 of the Act of 1908 are, in my opinion, too wide, and tend to encourage a departure from the general principle of selection for merit alone, as it is always possible to contend that any particular position, even if not 'wholly or in part professional or technical,' is 'otherwise peculiar.' I suggest that the powers under this section should be limited to professional or technical positions; and that a schedule of the situations which may be filled in this way should be prepared and approved by the Governor in Council. The list could, of course, be added to from time to time with the like authority. If this suggestion is approved, the section should be amended so as to run as follows:—

> 'When the qualifications requisite for any situation are wholly or in part professional or technical, the Governor in Council may appoint a person thereto without competitive examination and without reference to the other conditions prescribed in section 14 of this Act: Provided that he obtains from the Commission a certificate to be given in accordance with the regulations of the Commission that he possesses the requisite knowledge and ability and is duly qualified as to health and character. A schedule of such situations shall be drawn up forthwith and approved by the Governor in Council, and shall not be added to, except with the like approval.'

I think it is also desirable that appointments under section 21 should be left entirely to the Civil Service Commissioners, unless they report that they are unable to find suitable candidates.

(*d*) A distinction should be drawn between those branches of the service which are of a clerical or administrative character, and those in which technical or professional knowledge is required; and special schemes of examination should be drawn up for the latter, when required.

(*e*) Provision should be made in the junior grades corresponding to the Third Division for a class of skilled artisans and technical assistants, such as laboratory assistants, electricians, draughtsmen and others, who require technical skill though not qualified by scientific or professional training for the higher positions.

(62) In connection with the method of making appointments in the Inside Service it may be proper at this point to refer to the question of the employment of temporary clerks, in which there appears to be a certain amount of laxity.

(63) Under present practice each Department inserts in its estimates a round sum for clerical and other assistance. When the estimates have been voted the Department is in a position, without any further control, to spend this sum on the employment of temporary clerks, the rate of pay being usually $500 per annum and rising in some cases to as much as $800.

(64) The practice of employing temporary clerks seems to be growing, as the actual expenditure from Civil Government Contingencies under this head was $25,095 in 1909-10, and $110,071 in 1911-12; and the Estimates for 1912-13 include a provision of $20,000 in one Department alone.

(65) Theoretically, the organisation of a Department should be arranged as to enable the whole of the year's work to be performed by the permanent staff. This can be accomplished to a certain extent by shifting clerks from branches where there is less to do at a particular time to branches where there is a temporary pressure; by arranging that work which is not urgent should be done at times when the pressure is least; and by taking care that leave of absence should only be taken with due regard to the convenience of the Department. It might even be practicable, on occasions of pressure, to borrow clerks from another Department. In practice it is of course not always possible to make adequate arrangements of this kind; and a certain amount of temporary employment will always be necessary in some Departments. But I feel sure that with the exercise of greater care more might be done in this direction

(66) A temporary staff is, speaking generally, less efficient, owing to its defective training, than a permanent one; and is consequently more costly in reality, though perhaps more economical in appearance. Temporary employment should therefore, in my opinion, be discouraged in every possible way.

(67) I suggest that the employment of temporary clerks should be closely watched by the Department of Finance, under whose direction the remuneration is paid; and on every occasion when a temporary clerk is required the sanction of that Department should be obtained, the reason for the employment and the work to be performed being explained. The limit of six months prescribed for such employment seems to be reasonable, and necessary in order to prevent employment intended to be temporary in its character, from becoming in effect permanent. Precautions should also be taken to prevent this result being produced by successive periods of employment in different offices or in different branches of the service. Perhaps the simplest way of securing this would be by means of a declaration to be made by the temporary clerk on each occasion of his appointment stating all the previous occasions on which he had been employed.

(68) If the provisions of the law with regard to the Inside Service are fairly clear, the same cannot be said of the Outside Service.

(69) Under section 4 (*b*) of the Civil Service Act (R.S. 1906, Chapter 16) the Outside Service consists of the officers, clerks and employees mentioned in Schedule B, and the other officers, clerks and employees included in the Civil Service who are employed otherwise than on the departmental staffs at Ottawa. These 'other officers,' &c., are presumably those described in paragraph (*a*) and (*b*) of section 3 of the Act.

(70) Under sections 7 to 15 of the Act a Board of Examiners was constituted, which was intended to conduct examinations for both branches of the service; and under section 16 of the Act no person could be employed in either division of the Civil Service unless he had passed the prescribed examination.

(71) By section 4 of the Civil Service Amendment Act of 1908 the requirements as to examination were repealed so far as regards the Inside Service; and by sections 9 to 26 the Civil Service Commission was constituted, and provision made for the examinations which the Commission was to conduct; the powers of the Board of Examiners under the principal Act being transferred to the Commission. Sections 9 to 26, however, by reason of the provisions of section 4 (1), have no application to the Outside Service.

(72) It would appear, therefore, that the provisions contained in sections 7 to 16 of the earlier Act, with regard to the Board of Examiners and the examinations to be held by them, remain in force as regards that portion of the Outside Service which is defined by section 4 (*b*) of that Act. But by section 3 of the Civil Service Amendment Act of 1910 these examinations are to be held at the times and places specified under the regulations of the Civil Service Commission for the ordinary competitive examinations.

(73) The system thus provided would in itself be sufficiently inconvenient to administer; but further complications are introduced by the amending Acts of 1908 and 1910.

(74) By section 3 of the former of these two Acts the definition of the Civil Service seems to be considerably enlarged. After defining the Inside Service, the Act provides that the Outside Service shall consist of 'the rest of the public service.' The 'public service' is an expression which appears for the first time in the Act of 1908, and is not defined either in that Act or elsewhere; but the 'rest of the public service' presumably includes a considerable body of officials and employees not within the meaning of section 4 (*b*) of the original Act.

(75) It is not clear whether the provisions in sections 7 to 16 of the original Act were extended by the Act of 1908 to this enlarged Outside Service. But by section 2 of the Act of 1910 this enlargement of the Service is expressly excepted from the operation of section 16 and the other sections relating to examinations.

(76) We have, therefore, the original Outside Service defined by the principal Act, and the enlarged Outside Service defined by the Act of 1908. The former is still subject to the provisions of the principal Act dealing with examinations; but the additional force brought within the definition of the Outside Service by the Act of 1908 is specially excepted from those provisions by the Act of 1910.

(77) For the present purpose, however, it is not necessary to consider the legal position more closely; for I understand that in practice the Act is not regarded as requiring either examination or a Civil Service certificate for any position in the Outside Service, although the Civil Service Commissioners do in fact hold the Preliminary and Qualifying examinations referred to in the principal Act, and a certain number of candidates do in fact pass them either under department regulations or voluntarily.

(78) This position cannot be regarded as satisfactory. If the system of examination and certificate (whether after competitive or merely qualifying examination) is desirable for the Inside Service, it is difficult to understand why it should not be regarded as equally desirable for the Outside Service. I can see no reason why the junior ranks in the Excise and Customs Service, for example, should not be subjected to the same conditions, *mutatis mutandis*, as the junior ranks in the clerical departments of the Inside Service. The Outside Service is, speaking generally, of no less importance than the Inside Service. An efficient staff is no less necessary; and it should be recruited under similar conditions.

(79) For the same reason promotion in it should follow on the same lines; by which I mean that the prizes of the service should be reserved for those who have shown themselves capable of performing the highest duties. At present such positions as Postmasterships and Collectorships are filled by the appointment of persons who, whatever their other merits, have not had the advantage of long training in the service, and are consequently compelled to rely on their subordinates in transacting the business of their Departments. Such a system is fatal to an efficient service in two ways: the higher positions are filled, not by experts, but by amateurs; and the best type of official is not attracted into the service because he recognizes that its prizes are not within his reach.

(80) By section 4 (3) of the Act of 1908, power is given to the Governor in Council to bring the whole or any part of the Outside Service under the same provisions of the law as the Inside Service. I strongly recommend that this power should

be exercised forthwith, at least as regards the Post Office, Customs, and Inland Revenue Departments; and further, that each of these services should be graded in such a way as to provide a ladder of promotion from the lowest ranks to the highest.

(*b*) THE MANNER IN WHICH PROMOTIONS ARE MADE.

(81) As the law now stands promotion from the Third Division to the Second Division can only be made through the open competitive examination described above, except in the case of officers who were already in the Third Division on the 1st of September, 1908, for whom special provision has been made.

Promotion in the First and Second Divisions is made by the Governor in Council upon the recommendation of the Head of the Department, based on the report in writing of the Deputy Head, and with a certificate of qualification from the Civil Service Commissioners to be given either with or without examination as may be determined by them.

(82) *Prima facie* it appears to me undesirable that the Commission should intervene in questions of promotion. The duty of selecting suitable persons for first appointments in the service is one which they are well fitted to perform. The duty of adjudicating on the merits of officers whom it is proposed to promote from one grade to another is an entirely different one.

(83) Except in rare cases the method of examination seems to me unsuitable for such a purpose as promotion. The claims of an officer to promotion rest partly on the manner in which he has hitherto performed his duties, and partly on the judgment which can be formed of his capacity for the higher duties which will fall to him after promotion. On both these points the opinion of those under whom he has worked must be of far greater value than that of an outside body of commissioners who can have no personal experience of him or of his work. I cannot but think, too, that the intervention of the Commissioners in this matter must tend to weaken their position in the discharge of the more important duties imposed on them in regard to first appointments.

(84) If the recommendations of the Head of the Department and of the Deputy Head were honestly made under a proper sense of the responsibility imposed on them (and for the present purpose no other assumption is possible) I should feel some confidence that the right man was selected; and I should, therefore, be disposed to dispense with the certificate of the Civil Service Commissioners.

(85) On the other hand, I must say that cases have come under my notice which lead me to think that in some instances the recommendations of both the Heads and the Deputy Heads of Departments have not been founded exclusively on 'merit' as the Act directs, but that other considerations, or perhaps I should say 'merits' other than those contemplated by the Act, have been allowed to carry weight, and that grave injustice has sometimes been done to deserving officers who have in consequence been passed over. I should hope, however, that promotions of this kind are becoming fewer, as a sense of the responsibility for the selection of the fittest candidate becomes more real. Not only does the public service suffer if the fittest man is not promoted, but grave injustice is inflicted on the individual who is passed over merely because he is unable to bring political or other influence to bear in his favour.

(86) On the whole, whilst I do not feel entitled to express a very decided opinion on the subject, I should be inclined to repeal those provisions of the Act which require a certificate from the Civil Service Commissioners for promotions, and leave the matter in the hands either of the Head of the Department and his Deputy, or of the Appointment and Promotion Board above suggested.

(c) THE MANNER IN WHICH RETIREMENTS ARE EFFECTED.

(87) All persons in the Civil Service, with very few exceptions, hold office during pleasure—that is to say, their services can be dispensed with at any time. But I cannot find that there is in actual operation any rule or practice making retirement compulsory at any given age: and except in rare cases little or no pressure seems to be brought to bear on officers to induce them to retire, so long as they are able to continue in attendance at their Department. In the absence of ill health or misconduct, or some special ground for pressure on the individual, it seems to be left to the discretion of the officer himself to select the moment for his retirement.

(88) In the case of those who are entitled to pension some inducement is afforded to encourage voluntary retirement or to enable pressure to be exercised to enforce it. But speaking generally, the tendency on the part of the Heads of Departments is to leave the question to the officer himself. This tendency is, of course, more noticeable in the case of officers who are not entitled to pension; and this class now includes all officers appointed to the Inside Service since the 1st of July, 1898, as well as the greater part of the Outside Service, whether appointed before or after that date.

(89) This state of things, in my judgment, constitutes a very grave evil. Some system of securing retirement is absolutely essential if the public service is to be maintained in a satisfactory condition. It is necessary, on the one hand, in order to prevent officers from continuing in the service after they have ceased to be efficient: and it is equally necessary in order to provide a flow of promotion and to ensure that men of capacity should reach the higher positions at a period of life when they are able to make the best use of their powers.

(90) But a system of pensions is an essential element in any system of retirement. For it will be found that Heads of Departments will not discharge men who have given long and faithful service to the State—or even men who have not—unless some definite provision is made for their support when they have ceased to draw salary; and it is probable that public opinion would generally endorse this view.

(91) The pension system also has advantages of another kind. Owing to the nature of the work carried on in the public service it is highly desirable that men should be encouraged to enter it early and remain in it as long as their powers are unimpaired—in short to make their career in it. A pension, which will be available when they break down through ill-health, or when their term of service comes to an end, will be a powerful attraction to young men just entering a career, and will appeal even more directly to Civil Servants who have reached middle life and are tempted by offers of outside employment.

(92) The absence of a pension system, therefore, operates against the public interest in two ways;—men whose services might well be dispensed with are retained after their powers have begun to fail; and men whom the State would be glad to retain are allowed to be tempted out of the service at a time when their value is highest.

(93) I would therefore strongly urge as one of the most important items of Civil Service reform that some system of pensions such as that which was rescinded in 1898 should be re-established.

(94) But if the pension system is to be restored, it should be accompanied by a provision requiring compulsory retirement at a certain age. I suggest that at or after the age of sixty retirement should be at the option either of the officer himself or his Department; that at the age of sixty-five he should be compelled to retire; and that no relaxation of this rule should be permitted except for the single purpose of allowing him to continue in the service for a few months (not more than twelve) in order to complete a definite piece of work for which his services were specially required.

(95) The advantage of a rigid rule of this kind is that it relieves the Heads of Departments of the unpleasant and invidious task of representing to an official, who may perhaps be of long standing, that his powers have begun to fail and that his place can be better filled by a younger man. There will, of course, be cases of men who at the age of sixty-five will still be fully efficient, and whom it might be desirable to retain in the service; but these will be far out-numbered by the cases in which an officer ought in the public interest to retire, and will, under this rule, be compelled to do so without feeling that he has been harshly treated, or that any reflection has been cast upon his capacity. He will recognise that he is only conforming to a regulation which strikes at the efficient and inefficient alike

(96) I do not propose to discuss the provisions of a pension scheme in detail but I may perhaps be permitted to suggest the following points for consideration:—

(i) The award of a pension has hitherto taken the form of an annuity for life, varying in amount according to length of service and salary. It may be worth while to consider whether it should not in future take the form of a reduced annuity coupled with the payment of a lump sum on retirement. The lump sum would, of course, represent the actuarial equivalent of the difference between an annuity at the higher rate and at the lower rate. In othr words, the Government would undertake to commute, at a certain rate a portion, say one-fifth or one-fourth, of the pension to which the officer was entitled. I think that a scheme of this kind would be found popular with Civil Servants; and it would impose no additional charge on public funds.

(ii) No retirement should be permitted on the ground of ill-health unless it is certified that the officer's incapacity is likely to be permanent; and a medical referee should be appointed by the Government to examine these certificates and satisfy himself of their accuracy.

(iii) The provisions of section 12 of the Superannuation and Retirement Act, which enable an addition of years to be made to the actual service of certain persons, are in my opinion of doubtful expediency; and I should prefer to see them withdrawn. But if retained, I think that power should be taken to draw up a schedule of offices or situations requiring professional or technical qualifications, with the number of years to be added in each case, and that the grant of additional years should be confined to persons holding these offices. Under the Act the grant of the additional years is personal to the individual and depends on the view which may be taken, either at the time of his appointment or at the time of his retirement, of his qualifications, and on other considerations of a less relevant character. This involves a good deal of rather invidious discussion, which would be avoided if the grant depended not upon the individual but on the qualifications required for the office which he happened to hold.

(iv) It is a question whether it would not be desirable to abandon the practice of requiring contributions towards a pension to be deducted from the salary. My own opinion is against the system of contributions. I think it preferable on many grounds that the pension should be an entirely free gift on the part of the State.

(v) If the suggestion made in paragraph 22 of this Report (namely, that the Treasury Board should be abolished) is adopted, it would probably be found convenient that the administration of the pension system should be assigned to the Department of Finance.

(*d*) THE CLASSIFICATION OF THE STAFF AND THE DISTRIBUTION OF DUTIES IN EACH DEPARTMENT; AND THE DUPLICATION OF THE SAME OR SIMILAR WORK IN TWO OR MORE DEPARTMENTS.

(97) The Inside Service as constituted under the provisions of the Civil Service Amendment Act, 1908, is arranged in three divisions: First, Second and Third; each of these again comprises two subdivisions known as A and B.

Subdivision A of the First Division should consist of officers having the rank of deputy heads (but not being in charge of Departments), assistant deputy Ministers, and the principal technical, administrative and executive officers

The scale of salary assigned to this Subdivision is $2,800 rising to $4,000.

Subdivision B of the First Division should consist of 'the lesser technical, administrative and executive officers,' including the former chief clerks who are not eligible for Subdivision A.

The scale of salary is $2,100, rising to $2,800.

The Second Division, with its two Subdivisions A and B, should consist of 'other clerks having technical, administrative, executive, or other duties which are of the same character as, but of less importance and responsibility than, those of the First Division.'

The scales of salary of the two Subdivisions are $1,600 to $2,100, and $800 to $1,600 respectively.

The Third Division, also in two Subdivisions, comprises all other clerks in the service whose duties are copying and routine work, under direct supervision, of less importance than that of the Second Division.

The scales of salary of the two Subdivisions are $900 to $1,200 and $500 to $800 respectively.

The clerks who were actually in the service at the time of the passing of the Act in 1908, were distributed among these Divisions and Subdivisions, according to the rank and salary which they then enjoyed; but without apparently any other reference to the duties actually performed by them.

(98) A clear distinction is drawn by the Act between the duties of the Third Division on the one hand, and those of the Second and First Divisions, on the other. The duties of the former are described as copying and routine work under direct supervision, of less importance than those of the Second Division. The duties of the First and Second Divisions are technical, administrative or executive.

(99) While the First Division is to be recruited by promotion from the Second Division (section 25) and the Second Division by open competitive examination, no other provision is made for transfer from the Third Division to the Second, except in the case of officers who were already in the Third Division at the time of the passing of the Act, for whom special arrangements are made in section 26 (2).

Moreover, the subjects prescribed for the Second Division examination indicate a standard of education similar to that provided by the Universities, while the subjects prescribed for the examination admitting to the Third Division represent a much lower range of attainments.

(100) It is in my opinion of great importance that this distinction between the work of the two Divisions should be preserved. The essential difference between them is that the work of the two higher Divisions requires the exercise of discretion and the possession of altogether higher qualifications, whether professional, technical, or administrative, than that of the Third.

(101) For routine work, under direct supervision, all that is required is punctuality, accuracy, and precision. The copying of accounts, the compilation of statistice, the filling up of forms, and even the drafting of simple letters, are all matters in which there is no room for the exercise of discretion. The qualifications required for the work of the higher classes are essentially different from those required for

the routine duties of the lower classes; and are not usually deevloped from them. There will always be a large number of persons who, while quite capable of routine work, will never be able to rise to duties of a higher character requiring a higher standard of education and the higher qualities required for successful administration.

(102) I fear that under present conditions sufficient attention has not been paid to this distinction. In many Departments there are officers in both the First and Second Divisions performing duties which belong properly to the Third; and little, if any, attempt has been made to distribute the work in the two upper Divisions so as to correspond to the salaries assigned to them. Moreover, the distinction between the routine work of the Third Division and the superior work of the two higher Divisions seems to have been ignored.

(103) I attribute this mainly to two causes, (*a*) the principle laid down by the Act of 1908 for classifying the officers then in the service, which, as I have already mentioned, paid insufficient regard to the nature of the duties to be performed; and (*b*) the want of some one co-ordinating authority with power to deal with all Departments and regulate their staffs on uniform principles.

(104) It might possibly be contended that the Treasury Board and, through it, the Council, were charged with this duty; but it is obvious that Ministers themselves could not afford the time, and would otherwise be scarcely qualified, to exercise continuously such functions as those which I have described.

(105) In the absence of any such authority the various Departments have acted independently and each has arranged its staff in its own way. The result is that no uniform principles of organisation have been enforced. Men will be found in one Department with high salaries doing work which is performed by a much lower class in others; and the numbers of the various classes have been increased from time to time to meet the supposed claims of individuals without any special reference to the nature of the duties to be performed. It would be easy to quote numerous cases in which an officer has been allowed to proceed from one class to another without any change of work whatever, merely because it was desired to improve his position.

(106) The following figures afford a striking illustration of the consequences which inevitably flow from the absence of a controlling authority charged with the duty of co-ordinating the organisation of the whole service. They show (1) the classification of the staff in the various Departments made in 1909 under section 8 of the Act of 1908, and (2) the classification as it stands at the present time.

—	First Division.		Second Division.		Third Division.		Total.
	A.	B.	A.	B.	A.	B.	
Number of clerks in 1909.	93	171	312	770	498	772	2,616
Number of clerks in 1912.	150	253	464	830	691	730	3,118
Increase in 1912.....	57	82	152	60	193	decrease 42	502

(107) It will be observed that while the total number of clerks has increased in the three years from 2,616 to 3,118, or by 19·2 per cent, the increase in the First Division has been 139 or 52·6 per cent; in the Second Division 212, or 19·6 per cent; and in Subdivision B of the Third Division, the lowest grade of all, there has been an actual diminution of 42 clerks.

(108) The character of the work performed differs widely in the several Departments, but it may be confidently asserted that in any properly organised Department, the routine work will require a considerably larger number of clerks than the work of a superior kind.

(109) I find, however, that in 1909 the Third Division represented no more than 48·5 per cent of the total number in the service; whilst in 1912 it represents only 45·5

per cent. It will further be noticed that while the lowest subdivision, namely III-B. is actually reduced in number, the highest, namely I-A, is increased by 57 to 61 per cent, and the next highest, I-B, by 82, or 48 per cent. The *quantity* of work has no doubt grown in the last three years, but it can hardly be supposed that its *quality* has grown in these proportions.

(110) The inferences which I draw from these figures are that the original classification of 1909 did not correspond with the duties to be performed; and that the alterations which have been made during the last three years have aggravated the initial error. I may add that, though I have not been able to make an exhaustive examination of the work in all of the Departments, my own observation, so far as it goes, entirely supports these conclusions.

(111) The first principle of a sound departmental organisation is that the work should be classified according to its importance, the responsibility involved, and the experience required to perform it properly. Regard should also be paid to the maintenance of a flow of promotion so that, if possible, a man should not be kept too long at work which is inferior to the best of which he is capable.

(112) When the staff has been arranged and classified according to that principle, the numbers of the several classes should not be varied except to meet an increase or diminution of the work allotted to each; and no promotions should be made except on the occurrence of a vacancy. On each occasion of promotion, therefore, the increased salary and the higher status would be coupled with higher duties.

(113) I have already called attention to one respect in which these principles are flagrantly ignored, namely, by the promotion of officers without any change of duties, so that there are numerous cases of men who, after twenty years' service, will be found to be doing work which, though quite suitable to their position at the beginning of their official career, is extravagantly remunerated by the salary of the class to which they have ultimately attained.

(114) As another illustration of the same error I may point to the legislation which enables a private secretary of a Minister to be added, after one year's service, without any certificate of the Civil Service Commissioners or other evidence of his qualifications, to the permanent staff of the Department in any position below Subdivision A of the First Division. It might thus happen that in a Department, presided over by a rapid succession of Ministers, the number of clerks in Subdivision B of the First Division (the salary of which is $2,100 rising to $2,800) might be increased at the rate of one a year without any corresponding increase in the work of the Department, and consequently without any duties for the clerks in question to discharge.

(115) It is difficult to understand how this point could have escaped notice when the legislation in question was being passed. If at any time there is work enough in a given department for a certain number of clerks and no more, how could the addition of another clerk be justified? The desire of the Minister to provide for his private secretary is intelligible, but this should clearly be done by appointing him to some vacant position which he is qualified to fill, and not by the creation for him of a post which is not required for the work of the Department, and which imposes for all time an additional charge on public funds.

(116) What seems to be urgently required is the appointment of a committee of Deputy Heads or other high officials to examine in detail the work of every Department in the service, and report what number of clerks of each grade is required to carry out the work. This may appear at first sight a task of inconvenient magnitude; but I think that when once the members of the committee had established certain principles for their own guidance (such as, for example, the definition of routine work), they would find the application of these principles to the business of the several Departments a comparatively easy matter.

(117) When this task has been completed some one Department should be charged with the duty of seeing that the classification laid down was adhered to. Every proposal for an increase in the number of any class should be carefully scrutinized; and the Department proposing it should be called on to explain the necessity for the new

post, the nature of the duties to be attached to it, and any other matters which may seem to call for inquiry. In this way the classification of all the Departments will be kept within proper limits and uniform principles of organisation will be applied.

(118) I think that the Department of Finance, which is directly interested in the financial effect of such proposals, is naturally marked out for this duty.

(119) In one other respect the classification prescribed by the Act might, I think, be amended with advantage. It appears to me to be too rigid and wanting in flexibility.

(120) The intention seems to have been to frame a uniform classification for all Departments. Considering the great variations in the work of the Departments, I doubt if this is either possible or even desirable. Even if the clerical services could be treated in this fashion, there is a large number of professional and technical appointments the classification of which cannot be cast in the same mold.

(121) For administrative work of a clerical kind it may perhaps be reasonable that a young man entering Subdivision B of the Second Division by open competition should begin at $800 a year and rise in the normal course through the other classes to Subdivision A of the First Division, in which the maximum salary is $4,000. But a frame-work of this kind is not so readily adaptable to the cases of men in middle life drawn from outside professions, or to the young men whose qualifications and work are mainly technical.

(122) I suggest that for all such appointments as are sanctioned under Section 21 of the Act of 1908 special salaries, or scales of salaries, should be fixed from time to time, and that the situations in question should not be classified with the purely clerical appointments.

(123) As regards the duplication of the same or similar work in two or more Departments, I regret that the limited time at my disposal has prevented my making as complete an examination of the work of the several Departments as I could have wished. In any case, however, I should scarcely be competent to make any definite recommendations of a detailed kind. But I have noticed some branches of business the organisation of which seems susceptible of improvement in this respect.

(1) *The statistical information compiled or published by the Government Departments.*—This is a matter in which co-ordination and control are especially necessary; but a very competent Commission has been appointed, under the chairmanship of Mr. Grigg, to inquire into it, and their labours have not yet been brought to a conclusion. I therefore refrain from making any suggestions on the subject. But I may perhaps be allowed to express the opinion that, while the form and matter of the statistical information to be issued to the public may properly be prescribed by some central authority or Department, the actual compilation of the statistics should rest with the Department dealing with the subject to which they relate.

(ii) *Public health.*—This is a subject which is at present dealt with by several Departments. Having regard to the rapid growth of population and the very important interests involved, it is, I think, desirable that a strong central Department should be established with power to deal with all questions relating to public health.

(iii) *Surveying and map-making.*—Several Departments appear to be engaged in this work, and I have no doubt that advantage would result if it were more concentrated; but the subject is one which requires much detailed investigation before a scheme could be drawn up. I suggest that a Departmental Commission should be appointed to inquire into the matter.

(iv) *Steamship subsidies.*—These are dealt with by both the Post Office Department and the Department of Trade and Commerce. I think that they should all be controlled by one Department. Under present conditions it is quite possible for a steamship company to be in receipt of a subvention from both Departments without either of them being aware of the payments made by, or the services rendered to, the other.

(e) THE DISTRIBUTION OF THE WORK BETWEEN THE SEVERAL DEPARTMENTS OR AUTHORITIES.

(124) This is another subject which requires more careful examination than I have been able to give to it, and I feel some diffidence in offering any remarks upon it.

The branches of administration which come within the purview of the Dominion Government are so numerous and so varied in their nature that it is clearly necessary to adopt some system of grouping; and it is certainly desirable not only that the branches to be dealt with by each Minister should be as nearly cognate as possible, but that all work of the same character should be concentrated in one Department. In the system under which the present distribution has been arranged it is not easy to recognize any underlying principle.

(125) For example, the Department of Agriculture, besides the work which one would naturally expect to find allotted to it, deals with patents, copyright, trademarks, exhibitions, public health and quarantine. The Department of Inland Revenue, the main function of which is collecting the duties of excise, deals also with the inspection of weights and measures, the inspection of gas and electric light, patent medicines, and the adulteration of food and fertilizers. The Department of Public Works maintains harbours, piers and navigation works generally; but the maintenance of the St. Lawrence Ship Channel, a work not very different in character from the other navigation works, is under the control of the Department of Marine and Fisheries. I have already referred to the fact that two Departments, namely, the Post Office and the Department of Trade and Commerce, deal with steamship subsidies, while the latter Department is also charged with duties relating to the inspection of grain which, at first sight, seem more appropriate to the Department of Agriculture.

I am not in a position to make any definite suggestions as to the redistribution of these duties; but I think that the whole subject should receive early consideration by the Government.

(126) In this connection, however, I may perhaps be allowed to make a suggestion with regard to the Departments of Customs and Inland Revenue. Both of them are engaged in work of much the same character and each maintains a staff at various points in the Dominion. The suggestion which I have to make is that these two Departments and their staffs should be amalgamated. I feel sure that the convenience of the public would be consulted by such a change, and that considerable economies could be effected not only in the higher positions but also among the rank and file. Collectors of Customs, with a number of subordinate officials, are stationed at almost all places at which there are Inland Revenue Collectors; and at many of these places, judging from the amount of revenue collected, the duties must be scarcely sufficient to occupy the whole time of the officials. In suggesting this amalgamation I confine myself, so far as the Department of Inland Revenue is concerned, to that portion of its functions which relates to the collection of the excise. Its other duties seem to be more appropriate to the Department of Trade and Commerce.

IV.—GENERALLY THE MANNER IN WHICH THE PUBLIC BUSINESS OF THE DOMINION IS ADMINISTERED.

(127) Under this head I have brought together some miscellaneous points which have suggested themselves to me in the course of my inquiries and which could not conveniently be dealt with under any of the foregoing sections of this Report.

(*i*) *The development of the natural resources of the country.*—The Dominion of Canada is peculiarly fortunate, in comparison with other countries, in the wealth of its natural resources; but, notwithstanding what has already been done in this connection, I feel some doubt whether adequate steps have been taken for preserving and developing these resources for the benefit of the nation as a whole.

In laying down a policy to be adopted in such matters questions of great complexity will arise which must be treated from a comprehensive point of view and which require for their elucidation the highest technical and professional skill which can be made available.

The carrying out of the policy when decided on, and the execution of the necessary works must, of course, be left to the particular Department dealing with the matter in hand. This departmental autonomy is necessary for administrative purposes, and must clearly be maintained; but it has two drawbacks. In the first place it results in questions being dealt with in a fragmentary or piecemeal fashion without sufficient consideration of all their various aspects; and in the second place, the technical officers of the Departments, being mainly occupied with the projects and business of the moment, have not sufficient time to deal in a deliberate manner with all the problems involved, many of which do not directly concern their own Department and may consequently be lost sight of altogether.

For example, almost every waterway may be considered from at least two points of view. It may be utilised either for purposes of navigation or for the purpose of the production of power. These two objects may, and probably will, be antagonistic to each other. It may happen that the Department dealing with one is not the Department dealing with the other; and in that case one or both of the Departments will in all probability be found to be acting independently. Yet it is clear that a sound judgment can only be formed on a careful balance of all the considerations affecting the subject.

By the appointment of the Conservation Commission, under an Act passed in 1909, the first step was taken towards a comprehensive treatment of these important questions; and I understand that some progress has been made with the work. But I venture to think that it is necessary to define with greater precision the objects to be aimed at; and that the Commission is not adequately equipped with the expert assistance without which the best results cannot be achieved. I notice that the whole cost of the staff for the current year does not amount to $25,000. Moreover, the size of the Commission (32 members) seems to me inconveniently large for practical purposes.

I think that a more suitable body for the purposes which I have indicated would be a small permanent Commission of three, or at most five, members, who should devote their whole time to the work, and who should be assisted by a staff of the best experts procurable either in Canada or elsewhere. Their functions should be (*a*) to initiate and work out—but not to execute—schemes for the utilisation in the future of the natural resources of the country; (*b*) to examine and report upon every scheme affecting these resources, whether promoted by the Government or by private parties, before it is sanctioned by Parliament; and (*c*) to train up a body of technical experts who could be transferred, as opportunity offered, to the permanent service in any Department in which they were required. The Commission would in short be a thinking, planning, advising, and training body, with no executive functions. It should be directly responsible to and under the general control of the Prime Minister.

(ii) *General control of the public service.*—In paragraph 103 I called attention to the want of some co-ordinating authority with power to deal with the staff and organisation of the different Departments so as to secure the application of uniform principles and methods; and in paragraph 118 I suggested that the Department of Finance should be charged with this duty. I attach importance to this recommendation because I feel sure that many of the defects in the existing system are attributable to the want of such an authority. But I think that its functions might usefully be extended to certain other matters in which general control is desirable; such as the modification within certain minimum and maximum limits of the prescribed scales of salary; the number and character of the situations which may be filled under section 21 of the Act of 1908; exchanges and transfers between different Departments or different branches of the service; the hours of work in the

several Departments; the amount of ordinary and sick leave to be allowed; the keeping of attendance books, &c. Some of these are now regulated by statute, but it appears to me that they are matters which could be more conveniently dealt with by administrative action, which enables such uniformity as is desirable to be more readily enforced, and at the same time permits of exceptional treatment when required.

(iii) *Salaries.*—The question of salaries has not been specifically referred to me, and even if it had been, I do not consider myself competent to make definite recommendations on the subject without more knowledge than I possess of the various conditions affecting it, such as the cost of living in this country and the effect of the competition of other forms of employment. But I may perhaps be allowed to make the following observations.

The provisions in the Civil Service Acts with regard to classification and scales of salary are, as I have suggested in paragraphs 119 to 122, wanting in flexibility. I think it would be more satisfactory if, while minima and maxima were prescribed by statute, the actual scales were left to be settled, as occasion required, by the Departments concerned, with the approval of the Finance Department. For example, it does not seem to me necessary that all officers who are placed in Subdivision A of the First Division should proceed as a matter of course to the maximum of $4,000. Having regard to the large number of administrative officers in this subdivision the maximum appears to be unnecessarily high in many cases, if compared with the salaries of the Deputy Heads, who rank immediately above them, and with the principal technical and professional officers who are usually placed in this class. On the other hand, while the normal salary of the Deputy Heads is $5,000, it is clear that some of these positions involve much greater responsibility than others. If $5,000 is a suitable remuneration for the greater number of these situations, I think that in some cases this amount should be considerably increased. The same remark applies to the higher professional and technical officers, many of whom are paid on the same scale as administrative officers performing duties of much less importance. It is clear that the best professional and technical skill should be at the disposal of the Government, but this can only be attained by the payment of salaries approximating to those which are received by professional men of equal eminence in outside employment.

I desire also to offer one suggestion with respect to the scale of salary prescribed for the Third Division. If it is intended to adhere to the principle laid down in the Civil Service Act of 1908 under which there is no outlet from this division into the Second Division except by open competition or the method prescribed in section 26 (2) of the Act, I think that the maximum of Subdivision A of the Third Division might well be increased to $1,500, and in the case of specially meritorious officers with not less than, say, twenty-five years' service, even as far as $1,800. If the Third Division is to be kept rigidly fenced off from the Second Division as the Act contemplates, and as is, I think, desirable, it is necessary that the maximum salary attainable in that branch of the service should be fairly high, and that there should be a few prizes in it, in order to attract candidates who will be content to make their career in it. For this purpose a maximum of $1,500, with a rise to $1,800 in special cases, does not appear to me to be excessive.

(iv) *The Drafting of Government Bills.*—Under present conditions no single authority seems to be responsible for seeing that uniform methods, language, and principles are observed in the preparation of Government measures. I think that this is a serious defect. While there is no objection to each Department drafting its own measures, it is highly desirable that all should be subjected to examination by some co-ordinating authority with a view to the application of common principles of construction and interpretation.

(v) *Accounts.*—The forms of account kept by the various public Departments do not appear to be designed on any uniform plan. The Governor in Council, on the

report of the Treasury Board, has power, under section 12 of the Finance and Treasury Board Act, to prescribe the manner in which each Department of the Public Service shall keep its accounts; but this power does not appear to have been exercised up to the present time. Uniformity in the system of account-keeping is a matter of some importance; and I think it would be well if the subject were taken into consideration at an early date. Probably the most convenient procedure would be for a committee consisting of a representative of the Auditor General's Department and a representative of the Finance Department to examine the various systems at present in use, and then prescribe one uniform system for the whole service.

(vi) *Medical Referee.*—In paragraph 96 I suggested the appointment of a medical referee to examine the certificates of ill health put forward in support of applications for superannuation. I think that the functions of such an official could be usefully extended so as to include the examination of certificates of ill health in support of applications for leave of absence. If such an examination were instituted an appreciable number of the certificates would in all probability be found to require reconsideration.

(128) In the earlier portions of this Report I have indicated the important points which appear to require attention in connection with the organisation of the public service; such as the amount of routine business transacted by Ministers both in Council and in their Departments; the necessity for a closer control over the expenditure; the practice of transacting business by oral discussion rather than by correspondence; the want of a proper classification of the duties and staff in the several Departments; the appointment and promotion of officials on political grounds rather than on merit; and the establishment of a system of retirement.

But of all the topics on which I have touched the two which appear to me to be the most important are first, the relief of Ministers from routine and administrative duties so that they may be set free for the consideration of policy; and secondly, the improvement of the organisation and personnel of the Public service so that it may be in a position to cope efficiently with the business of the country, not only in the present, but in a future which is day by day developing additional work and fresh responsibilities.

I desire to urge as strongly as I may that for the creation and maintenance of an efficient Civil Service three essential conditions are required:—

(1) The best material in the country must be attracted into it and induced to remain there.

(2) To this end the service must be so regulated as to provide a permanent career in which promotion will depend on individual merit exhibited in the daily performance of duty.

(3) It follows from this that the mutual relations of Ministers and Civil Servants alike must be conducted with a loyal and single-minded devotion to the public service, from which all considerations dependent on the political views of individuals should be wholly excluded.

Whether and how far it is possible to realise these conditions it is not for me to say. But I feel confident that, until they are realized, the Public Service will not be such as the Dominion is entitled to expect, or such as is essential for the proper transaction of its business.

I have the honour to be, Sir,
Your obedient servant,

G. H. MURRAY,

RETURN

(59)

SCHEDULES of Trade transactions between the West Indies and Canada, the United States and the United Kingdom, compiled from the West Indian blue books and statistics.

TRADE OF THE BRITISH WEST INDIES.—

COLONY.	Years ended.		TRADE. Imports.	Exports.	Total.
			$	$	$
COLONIES AFFECTED BY TRADE AGREEMENT:—					
Antigua	Dec.	1910	827,494	954,761	1,782,255
Barbados	"	1910	6,546,606	5,298,968	11,845,574
British Guiana	Mar.	1911	7,928,488	8,266,560	16,195,048
Dominica	Dec.	1910	685,834	533,041	1,218,875
Montserrat	"	1910	144,627	146,014	290,641
St. Christopher—Nevis (St. Kitts)	"	1910	937,033	951,463	1,888,496
St. Lucia	"	1910	1,349,067	1,162,903	2,511,970
St. Vincent	"	1910	475,653	492,408	968,061
Trinidad and Tobago	"	1910	12,511,563	13,117,839	25,629,402
Total	—		31,406,365	30,923,957	62,330,322
COLONIES NOT AFFECTED BY TRADE AGREEMENT:—					
Bahamas	Dec.	1910	1,601,201	943,175	2,544,376
Bermuda	"	1909	2,144,487	894,901	3,039,388
British Honduras	"	1910	2,819,217	2,344,380	5,163,597
Grenada	"	1911	1,504,905	1,287,915	2,792,820
Jamaica	"	1910	12,726,056	12,498,675	25,224,731
Virgin Islands	"	1910	41,347	32,169	73,516
Total	—		20,837,213	18,001,215	38,838,428
RECAPITULATION:—					
Colonies affected			31,406,365	30,923,957	62,330,322
Colonies not affected			20,837,213	18,001,215	38,838,428
Grand Total			52,243,578	48,925,172	101,168,750

Department of Trade and Commerce,
Ottawa, Oct. 24, 1912.

(From British West Indian Returns.)

Trade with Canada.			Trade with United States.			Trade with United Kingdom.		
Imports.	Exports.	Total.	Imports.	Exports.	Total.	Imports.	Exports.	Total.
$	$	$	$	$	$	$	$	$
94,648	785,772	880,418	290,038	30,217	320,255	383,129	127,015	510,144
739,660	2,359,414	3,099,074	1,944,958	461,258	2,406,216	2,884,181	628,861	3,513,042
689,178	2,766,117	3,455,295	2,050,425	1,232,906	3,283,331	4,001,095	3,495,336	7,496,431
52,564	13,933	66,497	183,405	202,735	386,140	300,438	280,797	581,235
33,453	7,679	41,132	15,096	4,570	19,666	79,881	120,815	200,696
95,123	458,590	553,713	429,244	19,578	448,822	344,253	381,800	726,053
72,017	57,212	129,229	750,061	5,937	755,998	387,129	394,920	782,049
94,044	23,550	117,594	87,458	7,066	94,524	210,503	311,377	521,880
655,097	1,725,156	2,380,253	4,189,728	4,472,695	8,662,423	4,557,278	2,916,302	7,473,580
2,525,782	8,197,423	10,723,205	9,940,413	6,436,962	18,377,375	13,147,887	8,657,223	21,805,110
61,943	7,962	69,905	1,073,689	504,153	1,577,842	395,495	117,111	512,606
408,240	14,244	422,484	1,138,712	853,842	1,992,554	554,537	16,741	571,278
5,991	.....	5,991	1,254,480	1,656,271	2,910,751	600,889	329,490	930,379
108,350	3,684	112,034	461,121	212,750	673,871	691,100	837,071	1,528,171
1,011,707	1,060,017	2,071,724	5,751,875	6,767,454	12,519,329	5,414,337	2,579,484	7,993,821
.....	.....	.....	12,468	.....	12,468	7,703	9,295	16,998
1,596,231	1,085,907	2,682,138	9,692,345	9,994,470	19,686,815	7,664,061	3,889,192	11,553,253
2,525,782	8,197,423	10,723,205	9,940,413	6,436,962	16,377,375	13,147,887	8,657,223	21,805,110
1,596,231	1,085,907	2,682,138	9,692,345	9,994,470	19,686,815	7,664,061	3,889,192	11,553,253
4,122,013	9,283,330	13,405,343	19,632,758	16,431,432	36,064,190	20,811,948	12,546,415	33,358,363

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into West Indian Colonies which are Parties to the Agreement.

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.	TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		$		$		$		$
Animals, living--								
Into Antigua		594		297				5
Barbados		122,284		2,001		29,750		321
British Guiana		41,097		2,143		31,597		2,221
Dominica		3,105				243		321
Montserrat		438						
St. Kitts-Nevis		8,229		467		4,852		
St. Lucia		11,996		433		19		24
St. Vincent		4,750		1,110		117		350
Trinidad & Tobago		354,208		2,039		55,129		1,640
Total		546,701		8,490		121,707		4,882
Boots and Shoes-								
Into Antigua		18,576		92		12,274		6,044
Barbadoes		101,051		311		27,905		64,707
British Guiana		92,664		57		29,975		59,643
Dominica		17,544		5		12,089		4,424
Montserrat		3,256		29				915
St. Kitts-Nevis		20,177		55		15,208		4,837
St. Lucia		23,307		1,256		11,271		9,835
St. Vincent		5,913		10		2,784		2,891
Trinidad & Tobago		287,056		24		142,729		127,492
Total		569,544		1,839		254,235		280,788

Breadstuffs—

Beans and Peas:—									
Into Antigua (a)	Bush.	538	1,134	160	307	140	355	237	453
Barbados (b)	Lbs.	2,563,962	51,990	1,110,352	22,514	1,180,947	23,949	164,640	3,339
British Guiana (c)	"	6,285,748	159,519	1,553,404	42,221	1,045,900	28,903	2,232	75
Dominica (a)	Bush.	552	1,664	44	117	335	1,187	104	200
Montserrat (a)	"	12	29	3	5			9	24
St. Kitts-Nevis (a)	"	1,528	2,287	528	910	807	1,032	193	345
St. Lucia	"	2,517	5,169	1,346	2,141	733	2,307	19	44
St. Vincent (d)			720		715		5		
Trinidad & Tobago (e)	Lbs.	2,922,537	70,897	1,131,344	29,424	1,231,140	29,468	80,668	2,370
Total			293,409		98,354		87,206		6,850

(a) "Peas, beans, barley, &c." (b) "Grain unenumerated" (except corn, maize, barley, oats and wheat). (c) "Grain unenumerated" (except corn, maize, barley and oats). (d) Peas only. (e) "Grain unenumerated" (except maize, oats and dholl).

Bran—

Into Antigua (a)									
Barbados (b)	Lbs.	3,580,238	36,300	583,277	5,913	746,663	7,573		
British Guiana (b)		137,664	2,223	45,700	649	91,496	1,565		
Dominica (a)									
Montserrat (a)									
St. Kitts-Nevis (a)									
St. Lucia (b)	Bush.	2,006	1,046	502	229	1,394	754		
St. Vincent			1,304				1,304		
Trinidad & Tobago (c)									
Total			40,873		6,791		11,196		

(a) Not mentioned in return. (b) Bran and pollard. (c) Included with "Cattle foods" (See "Hay").

Bread and biscuits—

Into Antigua	Bbls.	7,396	24,542			7,376	24,504		
Barbados	Lbs.	424,624	12,916	9,000	273	415,354	12,634	270	9
British Guiana	"	296,225	29,687	14,399	1,976	176,206	11,528	105,616	16,183
Dominica	Bbls.	508	1,810			393	1,353	8	34
Montserrat	"	581	,1917			27	88		
St. Kitts-Nevis	"	7,084	22,562	33	151	7,050	22,405		
St. Lucia			7,534		404		2,604		1,591
St. Vincent	Bbls.	5,303	19,038			21	78		
Trinidad & Tobago			33,551		3,226		11,670		18,328
Total			153,557		6,030		86,864		36,145

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Breadstuffs—*Con.*									
Flour of Wheat—									
Into Antigua	Bbls.	13,431	79,817	3,894	24,606	9,505	54,998	32	213
Barbados	"	82,443	421,283	29,661	151,568	47,400	242,214	76	389
British Guiana	"	184,086	889,527	52,410	263,597	130,277	618,410	260	1,379
Dominica	"	11,288	68,888	4,269	26,105	6,870	41,902	.....	.....
Montserrat	"	2,886	17,408	2,846	17,111	27	224	.....	.....
St. Kitts-Nevis	"	23,315	141,868	2,066	12,099	21,240	129,735	.....	.....
St. Lucia	"	15,357	100,438	3,017	18,046	12,340	82,392	.....	.....
St. Vincent	"	9,557	43,474	9,213	41,565	343	1,903	.....	.....
Trinidad & Tobago	"	217,386	1,034,088	27,970	127,117	184,499	883,967	19	151
Total	"	559,749	2,796,791	135,346	681,814	412,501	2,055,745	387	2,132
Indian meal—									
Into Antigua	Bbls.	18,404	53,898	.....	.....	18,403	53,888	.....	.....
Barbados	"	34,763	126,882	38	141	34,439	125,701	.....	.....
British Guiana	Lbs.	1,235,620	22,966	1,960	19	1,233,212	22,931	.....	.....
Dominica	Bbls.	320	1,368	11	48	238	973	.....	.....
Montserrat	"	29	156	4	19	25	137	.....	.....
St. Kitts-Nevis	"	9,049	34,134	.....	.....	9,019	34,061	30	73
St. Lucia	"	773	2,857	.....	.....	768	2,832	5	19
St. Vincent (a)	"	83	4,190	.....	.....	83	4,190	.....	.....
Trinidad & Tobago (a)	.....	.....	25,828	.....	63	.....	24,109	.....	1,198
Total	.....	.....	272,274	.....	290	.....	268,822	.....	1,290

(a) Meal, not wheaten.

Oats—

Into Antigua	Bush.	636	540	212	151	40	34	40	34
Barbados	"	166,326	114,673	51,293	35,362	62,151	42,851	14,467	9,976
British Guiana	"	139,424	91,951	12,488	7,125	19,662	10,916	11,878	8,152
Dominica	"	2,474	2,224	520	462	849	681	.....	.....
Montserrat	"	104	131	102	126	.....	.....	.....	.....
St. Kitts-Nevis	"	502	384	140	122	216	175	.....	.....
St. Lucia	"	6,460	4,867	4,888	2,516	377	326	408	277
St. Vincent	"	1,906	1,771	1,506	1,411	132	117	.....	.....
Trinidad & Tobago	"	289,748	135,323	97,010	42,388	.....	.....	17,529	5,445
Total	"	607,580	351,864	166,759	89,663	83,427	55,100	44,322	23,884

Rolled Oats—

Into Antigua (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Barbados (b)	Lbs.	21,948	667	.....	.....	6,200	190	8,209	248
British Guiana (c)	"	127,008	5,912	340	13	89,676	3,225	36,992	2,764
Dominica (a)	"	.....	.....	.....	.....	.....	.....	.....	.....
Montserrat (a)	"	500	29	.....	.....	.....	.....	500	29
St. Kitts-Nevis (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
St. Lucia (d)	.....	.....	.....	.....	.....	.....	.....	.....	.....
St. Vincent (d)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Trinidad & Tobago (d)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	Lbs.	149,456	6,608	340	13	95,876	3,415	45,701	2,951

(a) Flour, rye or oat. (b) "Meal unenumerated" (except cornmeal and flour of wheat or rye). (c) Oatmeal. (d) Not mentioned in return.

Brooms and Brushes—

Into Antigua (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Barbados (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
British Guiana (b)	.....	7,707	.....	5,126	.....	98	.....	.....	2,353
Dominica (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Montserrat (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
St. Kitts-Nevis (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
St. Lucia	.....	487	.....	49	.....	10	.....	.....	355
St. Vincent	.....	672	.....	73	.....	24	.....	.....	462
Trinidad & Tobago (a)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	.....	8,866	.....	5,248	.....	132	.....	.....	3,170

(a) Not mentioned in return. (b) Corn brooms and brushware.

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Calcium carbide—									
Into Antigua (a)									
Barbados (a)									
British Guiana	Lbs.	11,150	536	10	1	564	81	8,926	393
Dominica (a)									
Montserrat (a)									
St. Kitts-Nevis (a)									
St. Lucia (a)									
St. Vincent (a)									
Trinidad & Tobago	Lbs.	38,340	1,465	18,000	574	4,100	151	16,060	715
Total	Lbs.	49,490	2,001	18,010	575	4,664	232	24,986	1,108
(a) Not mentioned in return.									
Cement—									
Into Antigua	Bbls.	1,903	5,334			1,752	4,905	14	24
Barbados	"	7,997	17,515					5,366	11,753
British Guiana	"	10,242	19,885			1,301	2,023	6,873	14,152
Dominica	"	2,454	6,190			2	10	2,072	4,862
Montserrat	"	78	224					50	97
St. Kitts-Nevis	"	317	1,095			125	316	77	350
St. Lucia	"	3,680	6,429					2,097	5,144
St. Vincent			5,519		243		287		4,005
Trinidad & Tobago	Bbls.	56,516	103,699			4,697	5,538	47,854	91,858
Total			165,890		243		13,079		132,245

Coal—

Into Antigua	Tons.	1,482	19,749			15	146	1,356	18,454
Barbados (a)	"	75,689	460,440			54,108	329,157	21,509	130,845
British Guiana (b)	"	34,976	175,306			7,081	29,222	27,889	145,987
Dominica	"	286	1,820			1	5	73	579
Montserrat	"	14	83						
St. Kitts-Nevis	"	426	3,334			7	97	258	1,786
St. Lucia (c)	"	87,454	493,051			86,553	487,484	901	5,568
St. Vincent			404				19		375
Trinidad & Tobago (b)	Tons.	89,575	443,611			57,241	265,516	32,334	178,096
Total			1,597,798				1,111,646		481,690

(a) Coal and Coke. (b) Coal, coke and patent fuel. (c) Coal and patent fuel.

Cordage—

Into Antigua (a)			3,008		1,479		165		1,363
Barbados (b)	Lbs.	130,743	15,904	38,695	4,706	24,521	2,983	64,390	7,835
British Guiana	"	383,917	39,994	95,612	7,748	51,081	4,036	235,210	28,027
Dominica (a)			2,102		530		486		1,085
Montserrat (a)			778		672				92
St. Kitts-Nevis (a)			5,932		1,990		754		3,178
St. Lucia			4,165		1,206		574		2,326
St. Vincent			3,592		827		292		2,472
Trinidad & Tobago			53,212		9,554		18,182		24,732
Total			128,687		28,712		27,472		71,110

(a) Rope cordage and naval stores. (b) Cordage, except twine.

Fish—

Into Antigua			40,417		39,235		574		302
Barbados			288,482		115,114		116,808		4,380
British Guiana			313,380		213,598		37,809		47,129
Dominica			30,519		18,231		2,701		39
Montserrat			11,091		10,268				15
St. Kitts-Nevis			42,603		42,398		204		
St. Lucia			54,308		28,651		19,461		278
St. Vincent			32,854		29,094		1,056		29
Trinidad & Tobago			375,156		292,974		42,549		26,840
Total			1,188,810		789,563		221,162		79,012

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.	TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		$		$		$		$
Fruits, fresh—								
Into Antigua (a)		1,187		122		195		15
Barbados (b)		66,737		19,038		6,526		17,189
British Guiana (c)		10,174		1,454		5,582		526
Dominica (a)		1,436		63		204		
Montserrat (a)		19				10		
St. Kitts-Nevis (a)		1,815		107		68		15
St. Lucia (d)		6,600		2,424		78		54
St. Vincent		384		39		10		5
Trinidad & Tobago		5,981		268		2,044		1,251
Total		94,333		23,515		14,717		19,055

(a) Includes fresh vegetables (except potatoes). (b) Includes fresh vegetables, all kinds. (c) Includes fresh vegetables (except garlic, onions and potatoes). (d) Includes fresh vegetables (except garlic).

Fruits, preserved—								
Into Antigua (a)		331		5		155		171
Barbados (b)		24,932		136		5,426		16,517
British Guiana (c)		9,982				2,627		2,687
Dominica (a)		131						97
Montserrat (a)		10						10
St. Kitts-Nevis (a)		701		5		516		175
St. Lucia (d)		3,898		2		666		2,326
St. Vincent (e)		467				122		326
Trinidad & Tobago (c)		11,378				881		7,067
Total		51,830		148		10,393		29,376

(a) Fruits and vegetables, tinned, &c. (b) Fruits and vegetables, preserved and dried. (c) Fruits, dried, canned or preserved. (d) Preserves. (e) Fruits, dried.

Furniture—

Into Antigua			1,937	88		146	769
Barbados (a)			19,428	3,334		4,799	7,811
British Guiana			15,459	106		2,453	10,259
Dominica			7,689	146		1,270	4,769
Montserrat			428	107		15	122
St. Kitts-Nevis			3,961	856		1,022	1,596
St. Lucia			5,699	555		525	3,567
St. Vincent			4,468	117		861	3,032
Trinidad & Tobago			34,466	1,625		9,033	9,427
Total			93,535	6,934		20,124	41,352

(a) Joiners and cabinet work.

Glassware—

Into Antigua (a)			4,161	5		822	2,608
Barbados (b)			18,840	24		4,190	11,971
British Guiana (d)			37,245			7,709	21,203
Dominica (a)			9,378			944	6,014
Montserrat (a)			1,392			146	1,144
St. Kitts-Nevis (a)			6,473	68		2,248	3,329
St. Lucia (d)			8,112	10		1,085	4,306
St. Vincent (c)			5,290			438	4,273
Trinidad & Tobago			40,782	156		9,923	18,649
Total			131,673	263		27,505	73,497

(a) Includes earthenware. (b) Includes bottles of stoneware. (c) Includes earthenware and lamps and lanterns. (d) Includes lamps and lanterns.

Hay—

Into Antigua (a)				126	10		102	14
Barbados	Lbs.	691,818	7,013	364,675	3,699	257,690	2,613	
British Guiana (b)		267,620	2,898	173,100	1,684	92,520	1,186	2,000 28
Dominica (a)				764	39		428	
Montserrat (a)				15	10		5	
St. Kitts-Nevis (a)				672	10		662	
St. Lucia (c)	Lbs.	21,151	258	19,876	239	1,275	19	
St. Vincent				39	10		10	5
Trinidad & Tobago (d)	Lbs.	6,951,984	124,577	417,231	5,387	5,878,864	110,255	193,764 2,453
Total				136,362	11,088		115,280	2,500

(a) Hay and forage. (b) Hay and chaff. (c) Hay and straw. (d) Cattle foods.

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.	TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		$		$		$		$
India rubber, mfrs. of—								
Into Antigua								
Barbados		3,966				1,947		2,02
British Guiana		16,257		284		4,129		11,00
Dominica		311		5		44		23
Montserrat		53		39		5		3
St. Kitts-Nevis		19				5		14
St. Lucia		234				19		200
St. Vincent (a)								
Trinidad & Tobago (a)								
Total		20,840		328		6,149		13,476
(a) Not mentioned in return.								
Metals:—Hardware, implements, machinery, &c.—								
Into Antigua—								
Hardware		29,706		929		4,214		23,228
Machinery and implements		46,759		5		3,762		40,476
Barbados—								
Electric apparatus		1,806				628		1,178
Hardware		170,668		895		33,010		132,646
Machinery		212,401		141		28,518		164,303
Nails, rivets, clinches		23,521		11,850		5,266		6,405
Plated ware and jewellery		47,323		662		4,180		19,880

Metals:—Hardware, implements, machinery, &c.—con.

British Guiana—				
Agricultural implements	26,543		1,583	24,960
Electric light materials	11,392		8,589	2,692
Fencing wire	4,605		2,634	1,972
Machinery	286,834	440	51,737	232,850
Nails and spikes	14,204	5,882	1,671	4,848
Plated ware	3,556		182	3,250
Tools	19,620	350	6,581	12,607
Dominica—				
Hardware	60,230	642	10,916	45,503
Machinery and implements	19,111		2,000	16,697
Montserrat—				
Hardware	9,212	238	973	7,401
Machinery and implements	3,061			3,047
St. Kitts-Nevis—				
Hardware	40,670	2,623	14,673	22,882
Machinery and implements	13,875		4,219	9,095
St. Lucia—				
Agricultural implements	1,786		88	1,698
Electric apparatus	774		54	710
Fencing wire	949	175	584	185
Hardware	19,621	2	1,299	17,578
Machinery	53,071		2,107	50,798
Nails	1,683	681	564	380
Plated ware	623	54	10	282
St. Vincent—				
Agricultural implements	2,964		978	1,985
Electric apparatus	171			171
Hardware	10,049		419	9,631
Machinery	4,749		1,251	3,191
Trinidad & Tobago—				
Hardware	505,092	11,373	169,399	301,617
Implements and tools	66,551		30,164	35,264
Machinery	572,154		226,237	342,399
Total	2,285,334	36,942	618,490	1,541,809

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Milk, condensed—									
Into Antigua (a)									
Barbados			24,081		248		521		21,953
British Guiana	Lbs.	614,823	55,819			579	96	311,145	29,419
Dominica (a)									
Montserrat (a)									
St. Kitts-Nevis (a)									
St. Lucia (a)									
St. Vincent (a)									
Trinidad & Tobago			158,609		1,567		238		92,418
Total			238,509		1,815	579	855		143,790
(a) Not mentioned in return.									
Musical instruments—									
Into Antigua			1,606				667		749
Barbados			12,809		39		2,574		9,500
British Guiana			8,427				328		5,938
Dominica			1,674				219		1,294
Montserrat			20				5		
St. Kitts-Nevis			2,433		20		1,246		1,066
St. Lucia			2,385		1		545		1,129
St. Vincent			2,063				949		749
Trinidad & Tobago			9,991				448		5,382
Total			41,408		60		6,981		25,807

Oilcake and meal—									
Into Antigua	Lbs.	582,510	12,220			574,645	12,079		
Barbados	"	3,839,990	58,400	12,300	185	3,793,785	57,699		
British Guiana	"	635,330	14,586	21,240	541	587,082	13,427	9,160	298
Dominica	"	104,234	2,482			79,525	1,805		
Montserrat	"	975	24			375	10		
St. Kitts-Nevis	"	807,955	16,284	12,500	321	794,205	15,933	750	20
St. Lucia	"	55,064	1,606	325	10	54,739	1,596		
St. Vincent	"	83,520	2,331			83,520	2,331		
Trinidad & Tobago (a)									
Total	Lbs.	6,109,578	107,933	46,365	1,057	5,967,876	104,880	9,910	318
Paints, colours, varnishes—									
Into Antigua			3,134		798		117		2,170
Barbados			32,519		1,285		3,927		26,688
British Guiana			33,806		3,210		763		29,481
Dominica			2,127		180		224		1,645
Montserrat			311		29				272
St. Kitts-Nevis			3,163		798		365		1,888
St. Lucia			3,450		326		190		2,842
St. Vincent			1,864		19		73		1,771
Trinidad & Tobago			28,771		2,886		3,285		22,294
Total			109,145		9,531		8,944		89,051
Paper—									
Into Antigua (a)			8,423		34		2,433		3,124
Barbadoes (b)			35,308		321		5,879		14,177
British Guiana			44,477		1,884		1,037		15,164
Dominica (a)			9,114		730		4,389		3,154
Montserrat (a)			993		58		48		234
St. Kitts-Nevis (a)			6,847		448		2,540		2,779
St. Lucia			3,834		262		1,064		1,513
St. Vincent			2,282		10		404		1,012
Trinidad & Tobago (c)			29,584		934		3,276		3,139
Total			140,862		4,681		21,070		44,296

(a) Included with "Cattle foods" under "Hay."

(a) Includes stationery. (b) Printing, writing and wrapping paper and playing cards. (c) Writing paper not included.

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL IMPORTS.		TO CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Provisions—									
Butter—									
Into Antigua	Lbs.	51,616	12,171	2,550	881	10,030	1,548	25,910	5,801
Barbadoes	"	320,235	97,401	17,020	5,178	34,319	10,439	187,333	56,979
British Guiana	"	462,793	109,564	32,532	9,816	5,077	1,424	59,332	13,770
Dominica	"	12,212	4,093	2,074	662	.....	.....	3,056	1,061
Montserrat	"	2,177	686	1,781	535	.....	.....	.....	.....
St. Kitts-Nevis	"	20,209	7,155	11,235	3,611	72	15	1,800	710
St. Lucia	"	40,615	9,407	7,491	2,389	11,523	1,591	1,934	521
St. Vincent	"	34,536	9,150	1,639	618	5,405	1,489	2,532	419
Trinidad & Tobago	"	886,607	177,521	12,171	3,587	76,139	13,213	180,238	38,972
Total	"	1,831,000	427,148	88,493	27,277	142,565	29,719	462,135	118,233
Cheese—									
Into Antigua	Lbs.	12,049	2,059	6,793	1,109	4,209	745	465	102
Barbados	"	55,694	10,161	45,899	8,375	1,557	282	6,438	1,173
British Guiana	"	217,672	33,346	33,140	5,175	2,694	499	17,333	3,285
Dominica	"	11,445	2,078	1,106	151	7,311	1,382	2,038	404
Montserrat	"	3,790	633	3,740	618	.....	.....	50	15
St. Kitts-Nevis	"	17,378	3,528	15,697	3,227	107	20	1,299	229
St. Lucia	"	14,458	2,657	4,233	681	7,950	1,455	438	151
St. Vincent	"	4,451	744	4,313	715	.....	.....	136	29
Trinidad & Tobago	"	275,592	42,651	16,469	1,854	139,732	22,903	37,660	6,945
Total	"	612,529	97,857	131,390	21,905	163,560	27,286	65,857	12,333

Provisions—*Con.*

Lard—									
Into Antigua	Lbs.	45,161	5,776			45,101	5,766	60	10
Barbadoes	"	357,776	43,527			356,385	43,362		
British Guiana	"	317,606	39,116			312,523	38,396	5,083	720
Dominica	"	79,748	9,450			79,118	9,372		
Montserrat	"	1,100	151			900	122		
St. Kitts-Nevis	"	54,011	4,978			52,987	4,852	1,024	126
St. Lucia	"	68,081	7,689			67,913	7,651	168	38
St. Vincent	"	14,978	1,791			14,930	1,781	48	10
Trinidad & Tobago	"	1,980,881	213,881	7,160	706	1,964,044	212,114	9,621	1,041
Total	"	2,919,342	326,359	7,160	706	2,893,901	323,416	16,004	1,945
Meats—									
Into Antigua			34,431		34		33,585		793
Barbados			239,332		10,478		218,714		7,627
British Guiana			365,862		472		344,411		20,416
Dominica			10,701		78		7,346		1,786
Montserrat			959		63		516		117
St. Kitts-Nevis			37,405		15		35,901		1,426
St. Lucia			18,337		399		16,770		1,123
St. Vincent			11,408		19		10,070		1,246
Trinidad & Tobago			554,342		2,871		480,471		30,446
Total			1,272,777		14,429		1,147,784		64,980
Soap—									
Into Antigua	Lbs.	147,440	6,311	32,418	1,645	78	10	108,532	4,360
Barbados	"	2,050,691	83,166	3,460	141	8,321	336	2,038,860	82,689
British Guiana			71,673		706		1,301		69,284
Dominica	Lbs.	156,483	8,039	560	20	1,266	68	146,917	7,548
Montserrat	"	30,486	1,577					18,948	1,017
St. Kitts-Nevis	"	206,486	11,115	1,836	53	47,840	2,214	147,818	7,820
St. Lucia			13,417		3,346		1,139		8,837
St. Vincent			8,483				296		8,181
Trinidad & Tobago	Lbs.	3,710,571	155,426	207,839	8,906	64,490	7,524	3,432,849	138,301
Total			359,207		14,817		12,888		328,037

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL IMPORTS.		FROM CANADA.		FROM UNITED STATES.		FROM UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Provisions—*Con.*									
Starch—									
Into Antigua (a)	Lbs.	6,660	268			242	20	4,208	180
Barbados (b)	"	627,913	25,468			1,134	44	1,218	49
British Guiana	"	47,524	3,996			817	136	33,391	3,285
Dominica (a)			34						15
Montserrat (a)									
St. Kitts-Nevis (a)	Lbs.	5,169	263			1,807	92	2,313	122
St. Lucia (c)			1,017				10		5
St. Vincent (d)									
Trinidad & Tobago	Lbs.	554,685	15,632	910	34	990	54	6,703	467
Total			46,678		34		356		4,123

(a) Starches (arrowroot, &c.). (b) Arrowroot, tous-les-mois and other starches. (c) Arrowroot, cassava. (d) Not mentioned.

Vegetables—									
Onions and garlic:—									
Into Antigua (a)									
Barbados (a)									
British Guiana	Lbs.	1,523,448	42,070						
Dominica (a)									
Montserrat (a)									
St. Kitts-Nevis (a)									
St. Lucia			657						
St. Vincent			944		214				
Trinidad & Tobago	Lbs.	1,973,859	39,950	15,840	380	11,136	530	94,177	1,484
Total			83,621		594		530		1,484

(a) Included with Fruits, fresh.

Vegetables—*Con.*

Potatoes—								
Into Antigua								
Barbados (a)								
British Guiana		114,863		76,353		11,312		9,733
Dominica		818		302		10		
Montserrat		112		78				
St. Kitts-Nevis		1,036		925				
St. Lucia (a)								
St. Vincent		900		584				
Trinidad & Tobago		65,525		34,534		7,359		4,696
Total		183,254		112,776		18,681		14,429

(a) Included with Fruits, fresh.

Canned vegetables—								
Into Antigua (a)								
Barbados (a)								
British Guiana	Lbs.	80,390	7,100			3,478	282	19,564	1,552
Dominica (a)								
Montserrat (a)								
St. Kitts-Nevis (a)								
St. Lucia (a)								
St. Vincent								
Trinidad & Tobago	Lbs.	75,642	5,689	400	15	37,362	1,854	22,340	2,088
Total			12,789		15		2,163		3,640

(a) Included with Fruits, preserved.

Other vegetables—								
Into Antigua (a)								
Barbados (a)								
British Guiana (a)								
Dominica (a)								
Montserrat (a)								
St. Kitts-Nevis (a)								
St. Lucia								
St. Vincent			5					
Trinidad & Tobago	Lbs.		21,739		39		1,470		122
Total			21,744		39		1,470		122

(a) Included with Fruits, Fresh.

IMPORTS of Articles in Schedule "A" of Canada-West Indies Trade Agreement into the West Indian Colonies which are Parties to the Agreement.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.	TOTAL IMPORTS.		TO CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		$		$		$		$
Vehicles—								
Into Antigua		2,195				1,153		1,041
Barbados		47,396		2,468		26,060		17,802
British Guiana		49,737		3,220		9,096		36,893
Dominica		1,567				1,105		462
Montserrat								
St. Kitts-Nevis		1,119				1,012		63
St. Lucia		1,868				789		992
St. Vincent		58				58		
Trinidad & Tobago		37,483		569		7,796		25,205
Total		141,423		6,257		47,069		82,458
Wood, unmanufactured—								
Into Antigua (a)		23,438		15,860		7,105		
Barbados (b)		420,800		235,353		173,773		19
British Guiana (c)		177,091		21,961		151,532		3,585
Dominica (a)		30,918		10,717		10,040		112
Montserrat (a)		11,393		9,222				
St. Kitts-Nevis (a)		68,006		21,442		39,901		336
St. Lucia (d)		20,433		1,411		17,703		
St. Vincent (e)		34,913		14,979		16,679		594
Trinidad & Tobago (f)		402,214		28,498		369,715		530
Total		1,189,206		358,897		786,448		5,176

(a) Hardwood, pitch pine, and spruce, white pine, shingles, shooks. (b) Hardwood, hemlock, birch, beech, white pine and spruce; pitchpine, shingles, staves and shooks. (c) Lumber, dressed and undressed, shingles, shooks, staves and headings. (d) Shingles, timber, greenheart, pitchpine, white-pine. (e) Shingles, shooks and staves and timber. (f) Shingles, shooks and staves; timber, dressed and undressed.

Recapitulation—

Animals, living			546,701		8,490		121,707		4,882
Boots and shoes			569,544		1,839		254,235		280,788
Breadstuffs—									
Beans and peas			293,409		98,354		87,026		280,788
Bran			40,873		,791		11,196		
Bread and biscuits			153,557		6,030		86,864		3c,145
Flour of Wheat	Bbls.	559,749	2,796,791	135,346	681,814	412,501	2,055,745	387	2,132
Indian meal			272,274		290		268,822		1,290
Oats	Bush.	607,580	351,864	166,759	89,663	83,427	55,100	44,322	23,884
Rolled Oats	Lbs.	149,456	6,608	340	13	95,876	3,415	45,701	2,951
Brooms and brushes			8,866		5,248		132		3,170
Calcium Carbide	Lbs.	49,490	2,001	18,010	575	4,664	232	24,986	1,108
Cement			165,890		243		13,079		132,245
Coal			1,597,798				1,111,646		481,690
Cordage			128,687		28,712		27,472		71,110
Fish			1,188,810		789,563		221,162		79,012
Fruits—									
Fresh			94,333		23,515		14,717		19,055
Preserved			51,830		148		10,393		29,376
Furniture			93,535		6,934		20,124		41,352
Glassware			131,673		263		27,505		73,497
Hay			136,362		11,088		115,280		2,500
India rubber, manufactures of			20,840		328		6,149		13,476
Metals—									
Hardware, implements, machinery, &c			2,285,334		36,942		618,490		1,541,809
Milk, condensed			238,509		1,815		855		143,790
Musical instruments			41,408		60		6,981		25,807
Oil cake and meal	Lbs.	6,109,578	107,932	46,365	1,057	5,967,876	104,880	9,910	318
Paints, colours and varnishes			109,145		9,531		8,944		89,051
Paper			140,862		4,681		21,070		44,296
Provisions—									
Butter	Lbs.	1,831,000	427,148	88,493	27,277	142,565	29,719	462,135	118,233
Cheese	"	612,529	97,857	131,390	21,905	163,560	27,286	65,857	12,333
Lard	"	2,919,342	326,359	7,160	706	2,893,901	323,416	16,004	1,945
Meats			1,272,777		14,429		1,147,784		64,980
Soap			359,207		14,817		12,888		328,037
Starch			46,678		34		356		34,123
Vegetables—									
Onions and garlic			83,621		594		530		1,484
Potatoes			183,254		112,776		18,681		14,429
Canned			12,789		15		2,136		3,640
Other			21,744		39		1,470		122
Vehicles			141,423		6,257		47,069		82,468
Wood, unmanufactured			1,139,206		358,897		786,448		5,176
Total value of Principal Articles included in Trade Agreement			15,737,500		2,371,733		7,671,184		3,788,554
Value of Total Imports			31,406,365		2,525,782		9,940,413		13,147,887

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL EXPORTS.		FROM CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Animals, living—									
From Antigua			4,404						
Barbados			5,525						
British Guiana			37,052						
Dominica			78						
Montserrat			1,801						
St. Kitts-Nevis			12,502						
St. Lucia			1,321						
St. Vincent			26,421						
Trinidad & Tobago			1,552						
Total			90,656						
Arrowroot—									
From Antigua									
Barbados									
British Guiana									
Dominica									
Montserrat	Lbs.	24,504	891					24,354	886
St. Kitts-Nevis	"	2,500	78						
St. Lucia									
St. Vincent	Lbs.	5,302,725	146,433	44,104	1,217	118,800	3,285	3,914,451	108,243
Trinidad & Tobago									
Total	Lbs.	5,329,729	147,402	44,104	1,217	118,800	3,285	3,938,805	109,131
Asphalt—									
From Antigua									
Barbados (a)	Tons.	174	6,356			139	5,076		
British Guiana									
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago	Tons.	158,983	871,844	280	2,453	108,864	549,720	14,482	84,227
Total	"	159,157	878,200	280	2,453	109,003	554,796	14,482	84,227

(a) "Manjak."

Balata Gum—								
From Antigua								
Barbados								
British Guiana	Lbs.	1,162,588	670,192		101,217	76,202	786,759	483,342
Dominica								
Montserrat								
St. Kitts-Nevis								
St. Lucia								
St. Vincent								
Trinidad & Tobago	Lbs.	3,030	1,105		710	258	2,041	745
Total	"	1,165,618	671,297		101,927	76,460	788,800	484,087
Bread—								
From Antigua								
Barbados	Lbs.	768,134	31,151					
British Guiana	"	890	74					
Dominica								
Montserrat								
St. Kitts-Nevis								
St. Lucia								
St. Vincent								
Trinidad & Tobago	Bbls.	3,237	9,198					
Total			40,423					
Charcoal—								
From Antigua								
Barbados								
British Guiana			40,742					
Dominica								
Montserrat								
St. Kitts-Nevis								
St. Lucia			10					
St. Vincent			5					
Trinidad & Tobago								
Total			40,757					

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL EXPORTS.		TO CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quanitty.	Value.	Quantity.	Value.
			$		$		$		$
Cocoa—									
From Antigua									
Barbados									
British Guiana	Lbs.	46,347	5,021	3,437	387			42,910	4,634
Dominica	"	1,233,425	115,675	31,550	2,959	15,198	1,426	989,441	92,792
Montserrat									
St. Kitts-Nevis									
St. Lucia	Lbs.	1,637,400	199,217	10,000	1,216	46,600	5,669	803,000	97,698
St. Vincent	"	235,236	20,109			52,584	3,723	91,438	9,057
Trinidad & Tobago	"	57,858,640	5,986,472	568,736	59,393	25,771,200	2,679,285	5,414,864	560,426
Total	"	61,011,048	6,326,494	613,723	63,955	25,885,582	2,690,103	7,341,653	764,607
Cocoanuts—									
From Antigua									
Barbados									
British Guiana	No.	1,023,631	23,387	60,192	1,024	955,121	22,271	187	3
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia			584		10		268		
St. Vincent									
Trinidad & Tobago	No.	18,872,962	324,368	569,000	8,916	18,186,139	312,907	107,024	2,321
Total			348,339		9,950		335,446		2,324

Citrate of Lime—									
From Antigua									
Barbados									
British Guiana	Lbs.	7,928	949			3,339	487	4,529	462
Dominica	"	581,728	82,149			581,728	82,149		
Montserrat	"	45,920	2,866					45,920	2,866
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago									
Total	Lbs.	635,576	85,964			585,067	82,636	50,449	3,328
Coffee—									
From Antigua									
Barbados									
British Guiana	Lbs.	108,378	10,149					88,062	8,060
Dominica	"	1,832	224	514	63	165	20	686	83
Montserrat	"								
St. Kitts-Nevis	Lbs.	295	146						
St. Lucia									
St. Vincent									
Trinidad & Tobago	Lbs.	896	126					336	44
Total	Lbs.	111,401	10,645	514	63	165	20	89,084	8,187
Copra—									
From Antigua									
Barbados									
British Guiana	Lbs.	80,447	2,647			2,357	94	65,427	2,254
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia			282						
St. Vincent									
Trinidad & Tobago	Lbs.	2,046,621	91,041					1,761,381	78,606
Total			93,970				94		80,860

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL EXPORTS.		TO CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Cotton, raw—									
From Antigua			21,427						21,427
Barbados	Lbs.	589,118	179,191			18,284	5,563	570,834	173,628
British Guiana									
Dominica									
Monserrat	Lbs.	211,311	76,382					211,311	76,382
St. Kitts-Nevis	"	392,039	143,095					392,039	143,095
St. Lucia	"	17,770	6,336					17,770	6,336
St. Vincent	"	521,956	186,924					521,956	186,924
Trinidad & Tobago	"	11,315	3,047					11,315	3,047
Total			616,402				5,563		610,839
Cotton Seed—									
From Antigua			297						297
Barbados			88				5		48
British Guiana									
Dominica									
Montserrat			5,046						
St. Kitts-Nevis			1,869						156
St. Lucia			414						
St. Vincent			17,929						136
Trinidad & Tobago									
Total			25,643				5		637

Diamonds—								
From Antigua								
Barbados								
British Guiana	Carat.	3,009	29,573			22	300	2,987	29,273
Dominica								
Montserrat								
St. Kitts-Nevis								
St. Lucia								
St. Vincent								
Trinidad & Tobago								
Total	Carat.	3,009	29,573			22	300	2,987	29,273
Fruits and vegetables, fresh—								
From Antigua			4,910		306		1,071		1,538
Barbados			90,150		214		453		13,509
British Guiana			47				10		1
Dominica			10,113		1,163		170		6,146
Montserrat			1,844		20				355
St. Kitts-Nevis			3,056		146		34		175
St. Lucia			4,558		15				128
St. Vincent			8,675						
Trinidad & Tobago			100,240		54		3,898		91,966
Total			223,593		1,918		5,636		113,818
Hides and skins—								
From Antigua			5,207				3,908		1,294
Barbados			27,365		1,587		17,262		638
British Guiana			11,001						11,001
Dominica									
Montserrat			1,402						
St. Kitts-Nevis			9,928				6,181		
St. Lucia			4,505		1,888				
St. Vincent			1,114						
Trinidad & Tobago			22,309		1,411		10		18,439
Total			82,831		4,886		27,361		31,372

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL EXPORTS.		FROM CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Lime Juice—									
From Antigua (a)			7,970		1,367		973		5,460
Barbados									
British Guiana									
Dominica (a)			231,551		8,789		68,187		152,988
Montserrat (a)			35,677		185				35,298
St. Kitts-Nevis (a)			394				78		316
St. Lucia			1,557		10				1,547
St. Vincent			88						
Trinidad & Tobago			6,264						6,264
Total			283,501		10,351		69,238		201,873
(a) Includes Limes.									
Molascuit—									
From Antiqua									
Barbados									
British Guiana	Tons	9,230	105,267	33	378			9,123	104,030
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago									
Total	Tons	9,230	105,267	33	378			9,123	104,030

Molasses—									
From Antigua	Puncheons	6,115	111,597	4,797	87,546	1,252	22,849	66	1,202
Barbados	"	77,722	1,512,989	53,814	1,047,578	6,597	128,421	2,524	49,140
British Guiana	Galls.	179,163	36,198	7,548	1,509			51,673	10,514
Dominica									
Montserrat									
St. Kitts-Nevis	Puncheons	2,521	36,300	1,542	22,513	894	13,052	2	29
St. Lucia	Galls.	95,220	9,315	95,220	9,315				
St. Vincent	"	44,190	10,103	42,968	9,860				
Trinidad & Tobago	"	743,679	50,774	689,163	47,645			48,885	2,789
Total			1,767,776		1,225,966		164,322		63,674
Oils, essential, and essences—									
From Antigua									
Barbados									
British Guiana									
Dominica	Galls.	6,916	29,672			298	2,672	6,618	27,000
Montserrat	"	120	550					120	550
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago									
Total	Galls.	7,036	30,222			298	2,672	6,738	27,550
Rice—									
From Antigua									
Barbados									
British Guiana			243,366		100		7		4
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago									
Total			243,366		100		7		4

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.		TOTAL EXPORTS.		TO CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
			$		$		$		$
Rubber, raw—									
From Antigua									
Barbados									
British Guiana	Lbs.	1,156	900			513	497	643	403
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia			10						10
St. Vincent									
Trinidad & Tobago	Lbs.	7,376	6,789			482	350	6,894	6,439
Total			7,699				847		6,852
Spices—									
From Antigua									
Barbados									
British Guiana	Lbs.	507	42						
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia			877		351				443
St. Vincent	Lbs.	4,062	273			311	34	2,996	175
Trinidad & Tobago			915				769		107
Total			2,107		351		803		725

Spirits, rum—									
From Antigua									
Barbados	Galls.	1,950	710	209	78			12	5
British Guiana	"	2,515,176	457,035	249,333	60,653			2,088,335	354,468
Dominica									
Montserrat									
St. Kitts-Nevis	Galls.	18,489	8,511					17,969	8,283
St. Lucia	"	4,692	1,902					3,471	1,406
St. Vincent									
Trinidad & Tobago	Galls.	191,641	46,657			84	39	191,476	46,588
Total	"	2,731,948	514,815	249,542	60,731	84	39	2,301,263	410,750
Spirits, other—									
From Antigua									
Barbados (a)	Galls.	356	345	8	10	40	39	6	5
British Guiana (b)	"	10	24						
Dominica									
Montserrat									
St. Kitts-Nevis									
St. Lucia									
St. Vincent									
Trinidad & Tobago (c)	Galls.	33,521	163,135			9,098	44,277	10,908	53,086
Total	"	33,887	163,504	8	10	9,138	44,316	10,914	53,091
(a) Falernum. (b) Bitters and liqueurs. (c) Bitters.									
Sugar—									
From Antigua	Tons.	13,488	783,187	11,889	695,870			1,599	87,317
Barbados	Hhds.	39,899	1,927,214	26,822	1,306,481	4,630	219,851	6,921	328,417
British Guiana	Tons.	100,954	4,994,231	53,837	2,693,478	24,334	1,107,269	22,642	1,187,247
Dominica									
Montserrat	Tons	190	7,431	190	7,431				
St. Kitts-Nevis	"	12,323	662,869	8,123	435,075	23	1,251	4,073	220,951
St. Lucia	"	5,275	319,975	705	42,889			4,565	276.773
St. Vincent	Lbs.	676,594	17,325	489,078	12,468			44,800	1,217
Trinidad & Tobago	Cwt.	924,953	3,523,218	416,526	1,592,309	24,008	99,314	484,131	1,830,383
Total			12,253,450		6,786,001		1,427,685		3,932,305

EXPORTS of Principal Products of the West Indian Colonies which are Parties to the Trade Agreement with Canada.—*Continued.*

Note.—British Guiana, year ended March, 1911; other Colonies, year ended December, 1910.

ARTICLES AND COLONIES.	TOTAL EXPORTS.		FROM CANADA.		TO UNITED STATES.		TO UNITED KINGDOM.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		$		$		$		$
Wood, unmanufactured—								
From Antigua (a)								
Barbados								
British Guiana (b)		146,486		5,668		5,295		103,355
Dominica (a)		564						
Montserrat (a)								
St. Kitts-Nevis (a)								
St. Lucia (c)		365						24
St. Vincent (d)		15						
Trinidad & Tobago (e)		93,318				219		30,417
Total		240,748		5,668		5,514		133,796

(a) Hardwood. (b) Railway sleepers, shingles, timber, wallaba posts. (c) Cedar, hardwood, posts, satinwood, snakewood, shingles, timber. (d) Timber. (e) Cedar boards, timber.

RECAPITULATION.

Animals, living			90,656						
Arrowroot	Lbs.	5,329,729	147,402	44,104	1,217	118,800	3,285	3,938,805	109,131
Asphalt	Tons.	159,157	878,200	280	2,453	109,003	554,796	14,482	84,227
Balata gum	Lbs.	1,165,618	671,297			101,927	76,460	788,800	484,087
Bread			40,423						
Charcoal			40,757						
Cocoa	Lbs.	61,011,048	6,326,494	613,723	63,955	25,885,582	2,690,103	7,341,653	764,607
Cocoanuts			348,339		9,950		335,446		2,324
Citrate of Lime	Lbs.	635,570	85,964			585,067	82,636	50,449	3,328
Coffee	"	111,401	10,645	514	63	165	20	89,084	8,187
Copra			93,970				94		80,860

Cotton, raw			616,402				5,563		610,839
Cotton seed			25,643				5		637
Diamonds	Carat	3,009	29,573			22	300	2,987	29,273
Fruits and vegetables, fresh			223,593		1,918		6,636		113,818
Hides and skins			82,831		4,886		27,361		31,372
Lime juice			283,501		10,351		69,238		201,873
Molascuit	Tons.	9,230	105,267	33	378			9,123	104,030
Molasses			1,767,776		1,225,966		164,322		63,674
Oils, essential and essences	Galls.	7,036	30,222			298	2,672	6,738	27,550
Rice			243,366		100		7		4
Rubber, raw			7,699				847		6,852
Spices			2,107		351		803		725
Spirits:—									
Rum	Galls.	2,731,948	514,815	249,542	60,731	84	39	2,301,263	410,750
Other	"	33,887	163,504	8	10	9,138	44,316	10,914	53,091
Sugar			12,235,450		6,786,001		1,427,685		3,932,305
Wood, unmanufactured			240,748		5,668		5,514		133,796
Total value of Principal Articles of Home Produce Exported			25,306,644		8,173,998		5,497,148		7,257,340
Value of Exports from Colonies in Agreement with Canada;—									
Home Produce			26,429,507		8,177,528		5,508,835		8,249,305
Foreign Produce			4,494,450		19,895		928,127		407,918
Total			30,923,957		8,719,432		6,436,962		8,657,223

Department of Trade and Commerce,
Ottawa, Oct. 24, 1912.

RETURN

[67g].

To an Address of the House of Commons, dated the 9th December, 1912, for a copy of all papers, documents, petitions, Orders in Council, memoranda, correspondence, &c., by and between the Government of Canada or any member thereof, and the Government of the Province of British Columbia, or any member thereof, since May 1, 1912, relating to the subject of an increase of the Provincial subsidy to the said Province.

LOUIS CODERRE,
Secretary of State.

This order was referred to the following Departments whose answer is 'Nil' in so far as they are concerned, viz.:—

Agriculture,
Customs,
Finance,
Inland Revenue,
Interior,
Justice,
Labour,
Marine and Fisheries,
Militia and Defence,
Post Office,
Privy Council,
Public Works,
Railways and Canals,
Secretary of State,
Trade and Commerce.

Ottawa, February 28, 1913.

RETURN

[67h].

To an Address of the House of Commons, dated the 20th January, 1913, for a copy of all documents and memorials of the Government of British Columbia presenting claims for additional provincial subsidies and of all correspondence and Orders in Council on the same.

LOUIS CODERRE.
Secretary of State.

At Government House, Victoria, B.C.,
The 24th of March, 1908.

Sir,—I have the honour to transmit to you herewith, copy of a Minute of Council, dated the 19th instant, containing a resolution adopted by the Legislative Assembly during the late session referring to the payment to British Columbia of an additional grant of $100,000 for a period of ten years, as an adequate settlement of the claim of this province for special treatment, and urging the Dominion Government to take steps to bring about a fair and adequate settlement of this matter.

I have the honour to be, sir,
Your obedient servant,

(Sgd.) GORDON HUNTER,
Administrator.

The Honourable
The Secretary of State,
Ottawa.

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA.

Copy *of a Report of a Committee of the Honourable the Executive Council, approved by His Honour the Lieutenant Governor on the 19th day of March, 1908.*

The Committee of Council submit for approval of His Honour the Lieutenant Governor the undermentioned Resolution of the Legislative Assembly, namely:—

'Whereas, the Parliament of the Dominion of Canada, by an Address signed by the Speakers of the Senate and Commons of Canada, on the 26th day of April, 1907, did petition the King's Most Excellent Majesty to cause to be laid before the Imperial Parliament a measure to make certain amendments to the scale of payments to be made by Canada to the several provinces of the Dominion, under Section 118 of "The British North America Act, 1867," or by or under the terms or conditions upon which any other provinces were admitted to the Union, and praying that such amended scale of payments should be a final and unalterable settlement of the

amounts to be paid yearly to the several provinces of the Dominion for their local purposes and the support of their Government and Legislatures; and

'WHEREAS by "THE BRITISH NORTH AMERICA ACT, 1907," passed by the Imperial Parliament to make further provision with respect to the sums to be paid by Canada to the several provinces of the Dominion, it is enacted inter alia, that

> "An additional grant of one hundred thousand dollars shall be made yearly to the Province of British Columbia for a period of ten years from the commencement of this Act," and

'WHEREAS this grant of one hundred thousand dollars a year for ten years was intended by the Dominion Parliament as a settlement of the claim of British Columbia for special treatment at the hands of the Dominion of Canada, as stated by the Prime Minister of Canada in the Dominion House of Commons on March 25, 1907, and as also appears by the proceedings of the conference between members of the Government of Canada and of the various Provincial Governments at the city of Ottawa, in the month of October, 1906, and

'WHEREAS the Legislative Assembly of the Province of British Columbia, by a resolution passed on the 25th day of March, 1907, declared that:—

> "The proposed additional allowance of one hundred thousand dollars annually for ten years, as compensation for the recognized claims of British Columbia, is inadequate, and cannot be accepted as a final and unalterable settlement"; and

'WHEREAS said "BRITISH NORTH AMERICA ACT, 1907" does not make final and unalterable said amended scale of payments to the province, and cannot affect the right of future negotiations between the province and the Dominion, with reference to said recognized special claim of British Columbia;

'THEREFORE, be it resolved, that this House, adhering to the position that said grant of one hundred thousand dollars annually for ten years is inadequate, affirms its right to further urge on the Dominion Government that steps be taken to bring about a fair and adequate settlement of the recognized claim of British Columbia for special treatment at the hands of Canada; and

'That an humble address be presented to His Honour the Lieutenant Governor, praying him that a copy of this resolution be forwarded to His Excellency the Governor General in Council.'

The Committee advise that a copy of this Minute, if approved, be forwarded to the Honourable the Secretary of State.

(Sgd.) FRED. J. FULTON,
Clerk of the Executive Council.

P.C. 495.

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA.

CERTIFIED COPY *of a Report of a Committee of the Honourable the Executive Council, approved by His Honour the Lieutenant Governor on the 21st day of February, A.D. 1912.*

The Committee of Council submit for the approval of His Honour the Lieutenant Governor the undermentioned resolution of the Legislative Assembly, namely:—

'WHEREAS by a resolution passed on March 7, 1908, this House declared that the grant of $100,000 annually for ten years, provided by the "British North America

Act, 1907," to be paid to this Province, is inadequate as a settlement of the claims of British Columbia for special treatment at the hands of Canada; and

'WHEREAS this House, affirmed in said resolution its right to further urge on the Dominion government that steps be taken to bring about a fair and adequate settlement of the recognized claim of this province; and

'WHEREAS, it appears from the report of Hon. Mr. R. McBride, Hon. W. J. Bowser and Hon. W. R. Ross, a delegation from the Government of British Columbia to Ottawa in November, 1911, that, in response to their representations, the Dominion Government is prepared to appoint a Commission, as requested in a memorandum submitted to the Dominion Government by the Hon. W. R. McBride on October 9, 1906, to investigate the merits of the claim made by this province; such Commission to be composed of three persons of eminent repute, one Commissioner to be named by the Dominion, one by the Province, and the third by agreement of the two Commissioners, or failing such agreement, by the Secretary of State for the Colonies:

'THEREFORE, be it resolved, that this House endorses the course taken by said delegation, and is of the opinion that such Commission be appointed at an early date; and that an humble Address be presented to His Honour the Lieutenant Governor requesting that a copy of this resolution be forwarded to the Honourable the Secretary of State at Ottawa.'

The Committee advise that a copy of this Minute, if approved, be forwarded to the Honourable the Secretary of State.

(Sgd.) HENRY ESSON YOUNG,
Clerk Executive Council.

VICTORIA, 21st February, A.D. 1912.

AT GOVERNMENT HOUSE, VICTORIA, B.C.,
February 23, 1912.

SIR,—I have the honour to transmit to you herewith, a certified copy of an approved Minute embodying a resolution passed by the Legislative Assembly with respect to the annual grant paid to the province under the British North America Act, 1907.

I have the honour to be, sir,
Your obedient servant,

(Sgd.) THOS. W. PATERSON,
Lieutenant Governor.

The Honourable
The Secretary of State,
Ottawa.

P.C. 175.

CERTIFIED COPY *of a Report of the Committee of the Privy Council, approved by His Excellency the Administrator on the 26th January, 1912.*

Upon a report of the Right Honourable Robert Laird Borden, Prime Minister, in which he observes that on the sixth day of November, 1911, the following members of the Government of the Province of British Columbia, namely, the Hon. Richard McBride, Prime Minister and Minister of Mines, the Hon. William John Bowser, Attorney General and the Hon. William R. Ross, Minister of Lands, presented a memorial setting forth various matters affecting the Province of British Columbia to which they asked the consideration of the Government of Canada.

The Prime Minister further observes that among the subjects with which the aforesaid memorandum deals, those hereinafter mentioned were included.

The Prime Minister recommends that he be authorized to send to the Hon. Richard McBride, Premier of British Columbia a telegram in the following terms:—

OTTAWA, January 24, 1912.

Hon. RICHARD MCBRIDE,
Premier of British Columbia,
Victoria, B.C.

'Replying to your memorandum of the 6th November, 1911, respecting the claim of British Columbia for exceptional treatment by reason of permanent physical conditions and otherwise as set forth in your memorandum of 9th October, 1906, we are prepared to appoint a Commission to investigate the merits of claim made by your province in this regard one Commissioner to be named by this Government, one by your Government, and the third to be selected by agreement of the two Commissioners, or failing such agreement by the Secretary of State for the Colonies.

'Asiatic Immigration.—This question is to be taken up as soon as possible in connection with the new Treaty with Japan to which Canada has not yet acceded. The interests of Canada in respect of immigration will be safeguarded and your Government will be consulted with regard to considerations specially affecting British Columbia.

'Songhees Reserve and drill hall matters have already been settled satisfactorily. The question of Foreshores is under consideration by the Department of Justice.'

The Committee concurring in the foregoing recommendation submit the same for approval.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

MEMORANDUM.

BETTER TERMS.

This issue is one which has already been discussed at length with both the Dominion and Imperial Governments. The data on file at Ottawa fully covers the position taken by the province. We most respectfully urge upon you the appointment, jointly with British Columbia, of a competent tribunal, through whose agency the whole matter may be finally disposed of. We are prepared, at your convenience, to go fully into the matter with you.

(Sgd.) RICHARD McBRIDE.
W. J. BOWSER.
WM. R. ROSS.

RUSSELL HOUSE, OTTAWA, November 6, 1911.

FINANCE DEPARTMENT,
OTTAWA, CANADA, January 23, 1913.

THOMAS MULVEY, Esq., K.C.,
Under Secretary of State,
Ottawa.

DEAR SIR,—Referring to order of the House of Commons, reference No. 372, Mover Sir Wilfrid Laurier, for copy of all documents, etc., of the Government of British Columbia, presenting claims for additional provincial subsidies, etc., I beg to say that so far as the Department of Finance is concerned, there are no documents from the Government of British Columbia.

Yours truly,

T. C. BOVILLE,
Deputy Minister of Finance.

INSURANCE RATES

BETWEEN

CANADIAN ATLANTIC PORTS

AND

PORTS IN THE UNITED KINGDOM

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1913

[No. 89—1913.]

INSURANCE.

No. "1" Insurance rates on Hulls (years 1903 to 1912) between Europe and the St. Lawrence, during season of navigation and for remaining part of season to St. John, N.B., Halifax, N.S.

No. "2" Insurance rates on Hulls (years 1903 to 1912) between Europe and United States Ports.

No. "3" Insurance rates on Provisions and Grain (years 1903 to 1912)
No. "3*a*" between St. Lawrence and Liverpool, London, Glasgow, Bristol, Dublin, Leith and Manchester, also from Halifax, N.S., and St. John, N.B., New York and Boston; and by Furness and Manchester Line Steamers from Halifax, N.S., & St. John, N.B.

NOTE.—Prior to 1907 rates of insurance followed classes of ships A. B. C. D. E.—(see page 10)—and years average figures are used for purposes of comparison.

No. "4" Marine Underwriters Warranty Slips.
Liverpool Slip Warranties.
Time Warranties in use in London in 1899.

Nos. "5" & "6" Draft form of Policy.

No. "7" Extract of letter from Messrs Willis Faber & Co., London, respecting tramp steamers.

No. "8" Condensed Comparison of Insurance rates on Cargo via St. Lawrence & via New York, &c., for years 1906–1912 inclusive.

No. "9" Comparison of Marine Insurance Rates on Grain from Montreal and from New York in the years 1900 and 1912.

No. "10" Minimum net insurance rates on exports by Steamers from Opening of Navigation 1900 to 1906.

MARINE UNDERWRITERS WARRANTY SLIPS.

I. Liverppol Slip Warranties.

(1) Warranted no British North America.

(2) Warranted not be in the Baltic or White Sea between 1st October and 31st March, both days inclusive.

(3) Warranted not to sail with over net tonnage of grain from any port in North America between 1st October and 31st March both days inclusive.

(4) Warranted not to sail with over net register tonnage of ore, iron, or phosphate, to or from any port in North America between 1st September and 31st March both days inclusive.

(5) Warranted no east of Singapore, excepting Java, Bangkok or Saigon.

(6) Warranted no Bilbao.

(7) Warranted not Straits of Magellan.

II. TIME WARRANTIES IN USE IN LONDON IN 1899.

Warranted no British North America (ex Halifax for coaling).

Warranted no Baltic or White Sea, 1st October to 1st April.

Warranted no east of Singapore ex Java, Australia, Saigon, and Bangkok.

21/- additional to cancel above warranties ex British North America, 1st. September to 1st. April (in some cases, ex British North America absolutely).

In cases of fine highly valued steamers there are added after the exceptions to the east of Singapore warranty the words "and out and home voyages to China and Japan."

1907. INSTITUTE WARRANTIES. 1907.

Warranted not to enter or sail from any port or ports, place or places, in British North America, except Halifax for purposes of coaling.

Warranted not to enter the Baltic beyond 13 deg. E. long. or sail from a loading port therein, between 1st. October and 1st. April.

Warranted not to enter the White Sea, or sail from a loading port therein, between 1st. October and 1st. April, and not to proceed East of Cape Kanin in the Arctic Ocean absolutely.

Warranted not to proceed East of Singapore (Java, Saigon, Bangkok, Australasia, and out and home voyages to China and Japan excepted).

On payment of an additional premium of per cent, all above Warranties to be cancelled except British North America between 1st. September and 1st. April and Cape Kanin Warranty.

HULLS.

Insurance rates for the years named of Liners Trading between Europe and the St. Lawrence during the season of navigation, and for remaining part of the season to St. John, (N. B.), Halifax, (N. S.), or Portland, Me.

Line.	1903.	1904.	1905.	1906.
Allan..... (F.P.A. conditions throughout.)	80/–	75/– twins Victorian 80/– others.	75/–	85/– twins & triples. 90/– others.
C. P. R.....	4 Gs.	4 Gs.	4 Gs.	(c) Empresses 75/– *Rest* 80/– twins 4 Gs. single screws
Donaldson.....	No. 1-5 £7-10 Rest £9.	110/–	.....	.....
			£5	90/–
Dominion.....	(Believe only a small amount insured in these years, but rates are			
Leyland.....	"	"	"	"
Elder Dempster.....	£6	£6	110/–	5 Gs.
Furness Withy and Manchester Liners.....	8 Gs.	8 Gs.	£8	£8
Thomson Line..... (Cairns, Noble & Co.)	No. 1-5 £8 No. 6-8 £10 No. 9-10 12 Gs.	No. 1-5 £7 No. 6-8 £9 No. 9-10 11 Gs.	No. 1-5 6 Gs. No. 6-8 8 Gs. No. 9-10 10 Gs.	No. 1-5 5½ Gs. No. 6-8 8 Gs. No. 9-10 10 Gs.
Oceanic Stm. Nav. Co.....	.....	.....	.....	.....

(*a*) Rates on Hulls (sheets Nos. 1 and 2) are given in shillings, pounds, and guineas per £100, (equal $486.) Example 80/ (eighty shillings) equal $19.47. Guinea is 21/.
(*b*) Numbers of ships selected for Insurance at rates quoted.
(*c*) Empresses stop at Quebec.
(*d*) F. P. A. means "Free of particular average."
(*e*) "Excess of 3%" means that owners bear loss up to 3%.
(*f*) P. A. means "Particular average", indicating partial damage.

HULLS.

1907.	1908.	1909.	1910.	1911.	1912.
As 1906.	(*b*) No. 1-7 80/- Rest 90/-	No. 1-7 80/- No. 8-10 85/- Rest 90/-	1-7 87/6 8-10 92/6 Rest £5	As 1910.	1-8 87/6 9-11 92/6 Rest £5
Empresses 75/ *Rest* 77/6 twins. 80/- single screws.	Empresses 751- *Rest* 87/6 twins. 90/- single screws.	Same as 1908.	Empresses 851- Rest—twins9716 Singlescrews £5.	Empresses £5 Rest—twins £5-7-6. Single screws £5-10.	Empresses 5 Gs. Rest—twins £5-7-6. Single screws £5-10.
85/-	80/-	80/-	80/-	80/-	Not renewed yet.
not obtainable.		£5 twin screws. 5 Gs. single screws. (*d*) F. P. A.	Cannot trace that anything has been done in these years.		
"	"				
110/-	110/-	6 Gs.	(*e*) £5 excess of 3% (*f*) P. A.	110s. excess of 3% P. A.	£6 excess of 3% P.A.
4 Gs.	80/-	80/-	88/- net.	97/6 net.	£6
As 1906.	As 1906.	No. 1 80/- No. 2 £5 No. 3-7 5½ Gs. No. 8-12 8 Gs.	No. 1-5 5½ Gs. net No. 6-8 8 Gs. net No. 9 10 Gs. net	Various rates paid according to steamer.) from 110/-to 15 Gs	£6 (In various rates.) £8 to £18
		Laurentic Megantic 751- F. P. A.	As 1909.	As 1909.	As 1909.

Where Underwriters quote a rate on Hulls, 10% and 5 % is usually allowed, 10% to the shipowner, and 5% to the broker.

In certain cases change in policy conditions account for change in rates, these are affected by a variety of conditions, ownership, new ships, &c.

Insurance not covered by Underwriters is undertaken by an Indemnity club, a mutual association of ship owners who take certain risks, such as under 3%, accidents to crew, &c.

Difference in rates some times occur through competition between Underwriters.

HULLS.

Insurance rates for the years named of Liners Trading between Europe and the United States ports.

Line.	1903.	1904.	1905.	1906.
Allan..... (F. P. A. conditions throughout)	80/-	75/- twins & Victorian. 80$- others.	75/-	85/- twins and triples. 90/- others.
Atlantic Transport.....	No. 1-4 50/- No. 5-13 60/- Rest 70/-	22/6 excess of £200,000 (*d*)	20/- net as before.	17/6 net as before.
American Line.....	80/-			
White Star.....	50/- F. P. A. (*c*)			
Furness, Withy & Co. & Manchester Liners.....	6 Gs.	6 Gs.	£6.	110/- and 5½ Gs.
Hamburg-American.....	Deutschland 27$6 t.l.o. (*e*)	Deutschland 25$- t.l.o.	Deutschland, Amerika 20$- t.l.o.	Amerika 25$- t.l.o. (*f*)GA. & S-.(*g*).
Leyland.....	Believe only a small amount insured in these years, but rates are not obtainable.			
N. German-Lloyd.....	60$-	55$-	50$-	45$- and 50$-
Cunard.....	No. 1-5 50$- Rest 60$- All risks but no R.D.C. (*h*)	No. 1-5 55$- Rest 60$- All risks.	No.1-2 45$- No. 3-7 50$- Rest 60$- All risks.	As 1905.

(*a*) Rates on Hulls (sheets Nos. 1 and 2) are given in shillings, pounds, and guineas per £100, (equal $486). Example 80$ (eighty shillings) equal $19.47. Guinea is 21$.
(*b*) Numbers of ships selected for insurance at rates quoted.
(*c*) F.P.A. means "Free of particular average."
(*d*) Owners carry insurance themselves up to £200,000. on each ship.
(*e*) T.L.O. means "Total loss only".
(*f*) G.A. means "General average" indicating loss or damage incurred for benefit of ship and cargo.
(*g*) S.C. means "Salvage charges", indicating cost of assisting vessels in distress.

HULLS

1907.	1908.	1909.	1910.	1911.	1912.
As 1906.	(*b*) No. 1-7 80/- Rest 90/-	No. 1-7 80/- No. 8-10 85/- Rest 90/-	1-7 87/6 8-10 92/6 Rest £5	As 1910.	1-8 87/6 9-11 92/6 Rest £5
15/- net as before.	15/- net as before.	15/- net as before.	As 1909.	As 1909.	As 1909.
4 Gs.	80/-	80/-	88/- net.	97/6 net.	£6
Deutschland 55/- all risks. Amerika 25/- as 1906.	Entire fleet. 20/- t.l.o. and GA.	Entire fleet. 20/- t.l.o. and GA.	As 1909.	As 1909.	As 1909.
45/-	No. 1 & 2 40/- No. 3-4 2 Gs.	No. 1-5 40/- No. 6 45/-	40/-	35/- net.	Not renewed yet.
No. 1-4 45/- No. 5-9 50/- Rest 60/- All risks.	No. 1-9 45/- Rest 60/- All risks.	No. 1-2 60/- No. 3-9 45/- No. 10-12 50/-	1-2 50/- 3-8 55/- 9-10 60/- Rest 70-	As 1910.	1-2 50$- 3-10 55$- 11-12 65$- 13-14 80$- 15 £5 Rest 70$-

(*h*) R.D.C. means "Collision clause", indicating damage done to vessels by collision.

Where Underwriters quote a rate on Hulls, 10% and 5% is usually allowed, 10% to the shipowner and 5% to the broker.

In certain cases change in policy conditions account for change in rates, these are affected by a variety of conditions, ownership, new ships, &c.

Insurance not covered by Underwriters is undertaken by an Indemnity club, a mutual association of ship owners who take certain risks, such as under 3%, accidents to crew, &c.

Difference in rates some times occur through competition between Underwriters.

PROVISION

——	Year	Liverpool		London		Glasgow		Bristol		Dublin	
		P.	G.	P.	G.	P.	G.	P.	G.	P.	G.
		cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
May 1 to September 15	1903	21¼	26¼	22¾	31	22½	27½	22½	27½	25	30
	1904	21¼	26¼	22¼	27¾	22½	27½	22½	27½	30	30
	1905	17½	22½	20	25	22½	25	20	25	20	25
	1906	25	25	25	25	25	25	25	25	25	25
	1907	25	25	25	25	25	25	25	25	25	25
September 30	1903	25	30	26¾	31¾	27½	32¼	25	30	30	35
	1904	25	30	27¾	32¾	27½	32¼	27½	32½	37½	42½
	1905	17½	22½	20	25	22½	25	20	25	20	25½
	1906	25	25	30	30	30	30	30	30	30	30
	1907	25	25	30	30	30	30	30	30	30	30
October 15	1903	28¾	33¾	32¾	37¾	33¾	38¼	30	35	40	45
	1904	28¼	33¾	30½	35¾	31¼	36¼	30	35	35	40
	1905	25	27¼	25	27½	27½	27½	27½	27½	25	27½
	1906	35	35	35	35	35	35	35	35	35	35
	1907	35	35	35	35	35	35	35	35	35	35
October 30	1903	35	40	40	45	41¼	46¼	37¼	42¼	50	55
	1904	32½	37½	35¾	40¾	36½	41¼	35	40	42½	47½
	1905	27½	30	27½	31¼	30	37½	32½	35	27½	21½
	1906	45	45	45	45	45	45	45	45	45	45
	1907	45	45	45	45	45	45	45	45	45	45
November 15	1903	51¼	56¼	57¾	63¾	60	67½	52½	57½	70	75
	1904	42½	47½	47¾	59	50	55	42½	47½	57½	62½
	1905	42	45	52½	55	47½	50	47½	52½	52	55
	1906	55	55	55	55	55	55	55	55	55	55
	1907	55	55	55	55	55	55	55	55	55	55
Nov. 25 or close	1903	75	80	83½	97	75	80	75	80	$1·00	$1·30
	1904	62½	67½	62¾	67¾	56¼	61¼	75	80	62½	67½
	1905	55	57½	60	65	55	60	55	60	60	65
	1906	65	65	65	65	65	65	65	65	65	65
	1907	65	65	65	65	65	65	65	65	65	65

(*a*) Rates are shown in cents for each $100 insured.

AND GRAIN.

Leith		Cardiff		Manchester		Halifax and St. John, N.B.		New York and Boston		Furness and Manchester Line Boats from Halifax and St. John.	
P.	G.	P.	G.	P.	G.	P.	G.	P.	G.	P.	G.
cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
30	35	.....	.....	35	40	20	22½	12½	15	27½	30
30	35	.....	.....	35	40	20	22½	12½	15	27½	30
25	30	.....	.....	30	35	20	22½	12½	15	27½	30
30	30	.....	.....	35	35	20	22½	12½	15	27½	30
30	30	.....	.....	32½	32½	20	22½	12½	15	27½	30
35	40	.....	.....	40	45	20	22½	12½	15	27½	30
37½	42½	.....	.....	37½	42½	20	22½	12½	15	27½	30
25½	30	.....	.....	30	35	20	22½	12½	15	27½	30
35	35	.....	.....	40	40	20	22½	12½	15	27½	30
35	35	.....	.....	37½	37½	20	22½	12½	15	27½	30
45	50	.....	.....	50	55	20	22½	12½	15	27½	30
40	45	.....	.....	42½	47½	20	22½	12½	15	27½	30
30	32½	.....	.....	40	45	20	22½	12½	15	27½	30
40	40	.....	.....	45	45	20	22½	12½	15	27½	30
40	40	.....	.....	42½	42½	20	22½	12½	15	27½	30
55	60	.....	.....	60	65	20	22½	12½	15	27½	30
47½	52½	.....	.....	55	60	20	22½	12½	15	27½	30
32½	36½	.....	.....	45	50	20	22½	12½	15	27½	30
50	50	.....	.....	55	55	20	22½	12½	15	27½	30
50	50	.....	.....	52½	52½	20	22½	12½	15	27½	30
75	80	.....	.....	75	80	20	22½	12½	15	27½	30
62½	67½	.....	.....	80	85	20	22½	12½	15	27½	30
57½	60	.....	.....	67½	72½	20	22½	12½	15	27½	30
60	65	.....	.....	65	65	20	22½	12½	15	27½	30
60	65	.....	.....	62½	62½	20	22½	12½	15	27½	30
$1·05	$1·35	.....	.....	$1·05	$·45	20	22½	12½	15	27½	30
67½	72½	.....	.....	90	95	20	22½	12½	15	27½	30
65	70	.....	.....	85	90	20	22½	12½	15	27½	30
70	75	.....	.....	75	75	20	22½	12½	15	27½	30
70	75	.....	.....	72½	72½	20	22½	12½	15	27½	30

PROVISION

——	Year	Liverpool		London		Glasgow		Bristol		Dublin	
		P.	G.	P.	G.	P.	G.	P.	G.	P.	G.
		cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
May 1 to September 15	1908	25	25	25	25	25	25	25	25	25	25
	1909	30	30	30	30	35	30	30	30	30	30
	1910	24	27	.....	27	.....	27	.....	27	.....	27
	1911	20	25	20	25	20	25	20	25	20	25
	1912*b*	20	25	20	25	20	25	20	25	20	25
September 30	1908	30	30	30	30	30	30	30	30	30	30
	1909	35	35	35	35	35	35	35	35	35	35
	1910	24	27	24	27	24	27	24	27	24	27
	1911	22½	27½	22½	27½	22½	27½	22½	27½	22½	27½
	1912	22½	27½	22½	27½	22½	27½	22½	27½	22½	27½
October 15	1908	35	35	35	35	35	35	35	35	35	35
	1909	42½	42½	42½	42½	42½	42½	42½	42½	42½	42½
	1901	30	36	30	36	30	36	30	36	30	36
	1911	25	30	25	30	25	30	25	30	25	20
	1912	25	30	25	30	25	30	25	30	25	30
October 30	1908	45	45	45	45	45	45	45	45	45	45
	1909	55	55	55	55	55	55	55	55	55	55
	1910	40	45	40	45	40	45	40	45	40	45
	1911	32½	37½	32½	37½	32½	37½	32½	37½	32½	37½
	1912	32½	37½	32½	37½	32½	37½	32½	37½	32½	37½
November 15	1908	55	55	55	55	55	55	55	55	55	55
	1909	65	65	65	65	65	65	65	65	65	65
	1910	40	55	50	55	50	55	50	55	50	55
	1911	35	40	35	40	35	40	35	40	35	40
	1912	35	40	35	40	35	40	35	40	35	40
Nov. 25 or close	1908	65	65	65	65	65	65	65	65	65	65
	1909	75	75	75	75	75	75	75	75	75	75
	1910	60	65	60	65	60	65	60	65	60	65
	1911	40	45	40	45	40	45	40	45	40	45
	1912	40	45	40	45	40	45	40	45	40	45

(*a*) Rates are shown in cents for each $100 insured.
(*b*) Differences in Rates sometimes occur through competition between Underwriters—refer table 8.

AND GRAIN.

Leith		Cardiff		Manchester		Halifax and St. John, N.B.		New York and Boston		Furness and Manchester Line Boats from Halifax and St. John.	
P.	G.	P.	G.	P.	G.	P.	G.	P.	G.	P.	G.
cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
30	30	.....	.....	32½	32½	20	22½	12½	15	27½	30
35	35	.....	.....	35	35	20	22½	12½	15	27½	30
30	32	.....	.....	30	35	20	22½	12½	15	27½	30
25	30	.....	.....	27½	32½	20	22½	12½	15	27½	30
25	30	.....	.....	27½	32½	20	22½	12½	15	27½	30
35	35	.....	.....	37½	37½	20	22½	12½	15	27½	30
40	40	.....	.....	40	40	20	22½	12½	15	27½	30
30	32	.....	.....	35	35	20	22½	12½	15	27½	30
27½	32½	.....	.....	27½	31½	20	22½	12½	15	27½	30
27½	32½	.....	.....	27½	32½	20	22½	12½	15	27½	30
40	40	.....	.....	42½	42½	20	22½	12½	15	27½	30
50	50	.....	.....	50	50	20	22½	12½	15	27½	30
35	41	.....	.....	40	42½	20	22½	12½	15	27½	30
30	35	.....	.....	32½	37½	20	22½	12½	15	27½	30
30	35	.....	.....	32½	37½	20	22½	12½	15	27½	30
50	50	.....	.....	52½	52½	20	22½	12½	15½	27½	30
60	60	.....	.....	60	60	22	12½	12½	15½	27½	30
40	50	.....	.....	45	52½	20	22½	12½	15	27½	30
37½	42½	.....	.....	40	45	20	22½	12½	15	27½	30
37½	42½	.....	.....	40	45	20	22½	12½	15	27½	30
60	60	.....	.....	62½	62½	20	22½	12½	15	27½	30
70	70	.....	.....	70	70	20	22½	12½	15	6 27½	30
55	60	.....	.....	60	62½	20	22½	12½	15	27½	30
40	45	.....	.....	45	50	20	22½	12½	15	27½	30
40	45	.....	.....	45	50	20	22½	12½	15	27½	30
70	70	.....	.....	72½	72½	20	22½	12½	15	27½	30
80	80	.....	.....	80	80	20	22½	12½	15	27½	30
70	70	.....	.....	70	72½	20	22½	12½	15	27½	30
50	55	.....	.....	50	55	20	22½	12½	15	27½	30
50	55	.....	.....	50	55	20	22½	12½	15	27½	30

BE IT KNOWN THAT

as well in own Name as for and in the name and names of all and every other Person or Persons to whom the same doth, may or shall appertain in part or in all doth make assurance and cause and them and every of them to be insured lost or not lost at and from

S. G.

£

And for and during the space of calendar months

from 18 to 18 both days inclusive. In port and at sea, in docks and graving docks, and on ways, gridirons and pontoons, at all times, in all places, and on all occasions, services and trades whatsoever and wheresoever, under steam or sail, with leave to sail with or without pilots, to tow and assist vessels or craft in all situations, and to be towed and to go on trial trips

upon any kind of Goods and Merchandise and also upon the Body, Tackle, Apparel, Ordnances, Munition, Artillery, Boat and other Furniture of and in the good Ship or Vessel called the

Whereof is Master under God for this present Voyage or, whosoever else shall go for Master in the said Ship, or by whatsoever other name or names the same ship or the Master thereof is or shall be named or called, beginning the adventure upon the said Goods and Merchandises from the loading thereof aboard the said Ship as above upon the said Ship, &c.

and shall so continue and endure during her Abode there upon the said Ship, &c., and further until the said Ship with all her Ordnance, Tackle, Apparel, &c., and Goods and Merchandise whatsoever shall be arrived at as above

upon the said Ship, &c., until she hath moored at Anchor twenty four hours in good safety, and upon the Goods and Merchandises until the same be there discharged and safely landed and it shall be lawful for the said Ship, &c., in this Voyage to proceed and sail to and touch and stay at any Ports or Places whatsoever and wheresoever for all purposes

without prejudice to this Insurance the said Ship, &c., Goods and Merchandises, &c., for so much as concerns the Assured by Agreement between the Assured and Assurers in this Policy are and shall be valued at

Deviation clause £ on
Held covered in case of any breach of warranty as to cargo, trade, locality or date of sailing, provided notice be given and any additional premium required be agreed immediately after receipt of advices.

Warranted free from capture, seizure, and detention, the consequences thereof, or of any attempt thereat, unless arising from piracy or barratry, and from all consequences of hostilities or warlike operations, whether before or after declaration of war.

Touching the Adventures and Perils which we the Assurers are contented to bear and to take upon us in this Voyage they are of the Seas Men-of-War, Fire Enemies, Pirates, Rovers, Thieves, Jettisons Letters Mart and Countermart, Surprisals, Takings, at Sea, Arrests, Restraints, Detainments, of all Kings, Princes, and People, of what nation Condition, or Quality, soever Barratry, of the Master and Mariners and of all other Perils, Losses and Misfortunes, that have or shall come to the Hurt Detriment or Damage of the said Goods and Merchandises and Ship, &c., or any part thereof, And in case of any loss or Misfortune it shall be lawful to the Assured, their Factors, Servants and Assigns to sue Labour and travel for in and about the Defence, Safeguard, and Recovery of the said Goods and Merchandises and Ship, &c., or any part thereof, without prejudice to this Insurance to the Charges whereof we the Assurers will contribute each one according to the Rate and Quantity of his Sum herein assured. And it is expressly declared and agreed that no acts of the Insurer or Insured in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment. And it is agreed by us the Insurers that this Writing or Policy of Assurance shall be of as much Force and Effect, as the surest Writing or Policy of Assuarnce heretofore made in Lombard Street or in the Royal Exchange or elsewhere in London. And so we the Assurers are contented and do hereby promise and bind ourselves each one and for his own Part our Heirs Executors and Goods to the Assured their Executors, Administrators and Assigns for the true Performance of the Premises confessing ourselves paid the Consideration due unto us for this Assurance by the Assured.

at and after the Rate of

In witness whereof we the Assurers have suscribrd our Names and Sums assured in London.

N.B.—Corn, Fish, Fruit, Flour, and Seed are warranted free from Average unless General or the ship be stranded, Sugar, Tobacco, Hemp, Flax, Hides and Skins, are warranted free from Average under Five Pounds per cent, and all other Goods also the Ship and Freight are warranted free from Average under Three Pounds per cent unless general or the Ship be stranded sunk or on fire.

Extract of letter from Willis Faber & Co., respecting tramps:—

"The extra rate generally charged on tramp steamers for one round voyage "to the St. Lawrence in the summer has been 21s., subject to warranty of sailing "from the St. Lawrence not later than 30th September. For later sailings "anything up to 3gs% extra has been paid according to the steamer and the "lateness of the sailing. It is not possible for us to tell you anything in the "shape of a fixed scale of rates, each case being treated on its merits. Such "tramp steamers as we have been able to trace having had extra premiums "paid on them, made voyages not to the River, but to the Gulf of St. Lawrence. "The objective point of such steamers is generally Chaleur Bay or some other "place in the Canadian Provinces where wood cargoes are to be obtained."

Comparison of Insurance Rates on Cargo

Year.	—	RATES VIA ST. LAWRENCE TO							
		Allan.		Dominion.		Can. Pacific.		Thomson.	
		Provisions.	Grain.	Provisions.	Grain.	Provisions.	Grain.	Provisions.	Grain.
1906	Summer rate	25	25	25	25	25	25	25	25
	Average season rate	32½	32½	32½	32½	32½	32½	32½	32½
1907	Summer rate	25	25	25	25	25	25	25	25
	Average season rate	32½	32½	32½	32½	32½	32½	32½	32½
1908	Summer rate	25	25	25	25	25	25	25	25
	Average season rate	32½	32½	32½	32½	32½	32½	32½	32½
1909	Summer rate	27½	27½	27½	27½	27½	27½	27½	27½
	Average season rate	35	35	35	35	35	35	35	35
1910	Summer rate	24	27	24	27	24	27	24	27
	Average season rate	31½	34½	31½	34½	31½	34½	31½	34½
1911	Summer rate	20	25	20	25	20	25	20	25
	Average season rate	25½	30	25½	30	25½	30	25½	30
1912	Summer rate	(b) 17½	20	17½	20	17½	20	17½	20
	Average season rate	23	25½	23	25½	23	25½	23	25½

(a) Rates are shown in cents for each $100 insured.
(b) Differences in rates sometimes occur through competition between Underwriters—refer table 3a.

via St. Lawrence & via New York, &c.

United Kingdom.					Rates via New York, Boston, Etc.				
Donaldson.		Manchester.		Tramp Steamers.	1st Class Liners. 2nd Class Liners all the year round.				Tramp Steamers.
Provisions.	Grain.	Provisions.	Grain.	Full Cargoes Grain.	Provisions.	Grain.	Provisions.	Grain.	Full Cargoes Grain.
25	25	30	30	75	.....	.....	.....	.....	37½
32½	32½	40	40	95	15	17½	17½	20	50
25	25	30	30	75	.....	.....	.....	.....	37½
32½	32½	40	40	95	15	17½	17½	20	50
25	25	30	30	62½	.....	.....	.....	.....	37½
32½	32½	40	40	80	15	17½	17½	20	50
27½	27½	30	30	62½	.....	.....	.....	.....	37½
35	35	39	39	80	15	17½	17½	20	50
24	27	27½	30	62½	.....	.....	.....	.....	37½
31½	34½	36½	39	80	12½	15	15	17½	50
20	25	22½	27½	62½	.....	.....	.....	.....	37½
25½	30	28	33	80	12½	15	15	17½	50
17½	20	20	25	50	.....	.....	.....	.....	37½
23	25½	26½	32½	61	12½	15	15	17½	50

COMPARISON OF MARINE INSURANCE RATES ON GRAIN FROM MONTREAL AND FROM NEW YORK, IN THE YEARS 1900 AND 1912.

The estimated value of grain that will be shipped from Montreal in 1912 may be taken at $25,000,000.

The average season rate from Montreal in 1900, was.....56 cents.
The average season rate from Montreal in 1912, is .....25½ "
The rate from New York, in 1900, was.....20 "
The rate from New York, in 1912, is.....15 "

A. MONTREAL	In 1900, $25,000,000 would have been insured at 56c. or	$140,000
	In 1912, $25,000,000 insured at 25½c.....	63,750
1900 v 1912.	Or, saving in cost, compared with 1900, of.....	$ 76,250

B. MONTREAL v NEW YORK 1900 & 1912.	In 1900, the rate via Montreal, was.....	56 cts.	
	In 1900, the rate via New York, was.....	20 "	
	Extra cost via Montreal.....	36 cts.	
	Representing on $25,000,000.....		$ 90,000
	In 1912, the rate via Montreal, is.....	25½ cts	
	In 1912, the rate via New York, is.....	15 "	
	Extra cost via Montreal.....	10½ "	
	Representing on $25,000,000.....		$ 26,250
	Showing reduction in extra cost in 1912 of.....		$ 63,750

MINIMUM NET INSURANCE rates on Exports by Steamers from the opening of Navigation 1900 to 1906.

From Montreal to direct ports in the U. K. not north of London on the East coast.

CLASS "A"—STEAMERS OF THE ALLAN LINE.

1900. Sailings.	Rates net Provisions and Mdse.	Grain.
	$ cts.	$ cts.
May 1 to Sept. 15	0 40	0 45
Sept. 16 to Sept. 30	0 45	0 50
Oct. 1 to Oct. 15	0 50	0 60
Oct. 16 to Oct. 31	0 60	0 70
Nov. 1 to Nov. 10	0 70	0 80
Nov. 11 to Nov. 20	0 80	1 00
Nov. 21 (Close of navigation)	1 00	1 20

CLASS "B"—DOMINION LINE STEAMERS TO LIVERPOOL AND STEAMERS OF DONALDSON AND JOHNSTON LINES.

May 1 to Sept. 15	0 45	0 50
Sept. 16 to Sept. 30	0 50	0 60
Oct. 1 to Oct. 15	0 60	0 70
Oct. 16 to Oct. 31	0 70	0 80
Nov. 1 to Nov. 10	0 80	0 90
Nov. 11 to Nov. 20	0 90	1 10
Nov. 20 (Close of navigation)	1 10	1 30

CLASS "C" STEAMERS OF THOMPSON, ELDER DEMPSTER, HEAD (ULSTER S.S CO.) LEYLAND AND LORD (IRISH SHIPOWNERS CO. LTD.) LINES.

May 1 to Sept. 15	0 50	0 55
Sept. 16 to Sept. 30	0 55	0 65
Oct. 1 to Oct. 15	0 65	0 75
Oct. 16 to Oct. 31	0 75	0 85
Nov. 1 to Nov. 10	0 85	0 95
Nov. 11 to Nov. 20	1 00	1 20
Nov. 21 (Close of navigation)	1 20	1 40

CLASS "D"—STEAMERS OF MANCHESTER LINE AND HAMBURG-AMERICAN PACKET CO. AND STEAMERS "CEBRIANA" "SYLVIANA" AND "DALTON HALL" OF THE HANSA ST. LAWRENCE LINE.

May 1 to Sept. 15	0 60	0 65
Sept. 16 to Sept. 30	0 65	0 75
Oct. 1 to Oct. 15	0 75	0 85
Oct. 16 to Oct. 31	0 85	0 95
Nov. 1 to Nov. 10	1 05	1 15
Nov. 11 to Nov. 20	1 25	1 45
Nov. 21 (Close of navigation)	1 45	1 65

CLASS "E"—OTHER STEAMERS (INCLUDING THOSE CHARTERED BY THE ABOVE LINES) 100 A1 TRIPLE, BUILT NOT BEFORE 1890.

1900. Sailings.	Carrying Gross of grain.	Reg. or upwards parcels grain.	
	$ cts.	$ cts.	$ cts.
May 1 to Sept. 15	0 70	0 80	1 00
Sept. 16 to Sept. 30	0 80	0 90	1 10
Oct. 1 to Oct. 15	0 90	1 00	1 20
Oct. 16 to Oct. 31	1 00	1 20	1 50
Nov. 1 to Nov. 10	1 25	1 50	2 00
Nov. 11 to Nov. 20	1 50	1 75	2 25
Nov. 21 to (Close of navigation)	2,00	2 50	3 00

*Rates are shown in dollars and cents for each $100 insured.

1901. Sailings.	Provisions and Mdse.	Grain.	1902. Provisions and Mdse.	Grain.
	$ cts.	$ cts.	$ cts.	$ cts.
May 1 to Sept. 15	0 25	0 40	0 32½	0 40
Sept. 16 to Sept. 30	0 30	0 45	0 32½	0 45
Oct. 1 to Oct. 15	0 35	0 50	0 37½	0 50
Oct. 16 to Oct. 31	0 45	0 60	0 42½	0 60
Nov. 1 to Nov. 10	0 57½	0 70	0 47	0 70
Nov. 11 to Nov. 20	0 65	0 80	0 52	0 80
Nov. 21. (Close of navigation)	0 80	1 20	0 80	1 20
Per Dominion and C. P. R. Lines.				
May 1 to Sept. 15	0 40	0 45	0 35	0 45
Sept. 16 to Sept. 30	0 42½	0 50	0 35	0 50
Oct. 1 to Oct. 15	0 50	0 60	0 45	0 60
Oct. 16 to Oct. 31	0 55	0 70	0 50	0 70
Nov. 1 to Nov. 10	0 70	0 80	0 57½	0 80
Nov. 11 to Nov. 20	0 80	0 90	0 62½	0 90
Nov. 21. (Close of navigation)	1 00	1 30	1 00	1 30
Per Thompson Line.				
May 1 to Sept. 15	0 40	0 50	0 35	0 50
Sept. 16 to Sept. 30	0 42½	0 55	0 35	0 55
Oct. 1 to Oct. 15	0 50	0 65	0 45	0 65
Oct. 16 to Oct. 31	0 60	0 75	0 50	0 75
Nov. 1 to Nov. 10	0 70	0 85	0 57½	0 85
Nov. 11 to Nov. 20	0 80	1 00	0 62½	1 00
Nov. 21. (Close of navigation)	1 00	1 30	1 00	1 30
Per Donaldson Line.				
May 1 to Sept. 15	0 35	0 45	0 35	0 45
Sept. 16 to Sept. 30	0 42½	0 50	0 35	0 50
Oct. 1 to Oct. 15	0 47½	0 60	0 42½	0 60
Oct. 16 to Oct. 31	0 55	0 70	0 50	0 70
Nov. 1 to Nov. 10	0 60	0 80	0 57½	0 80
Nov. 11 to Nov. 20	0 75	0 90	0 62½	0 90
Nov. 21. (Close of navigation)	1 00	1 30	1 00	1 30
Per Manchester Line.				
May 1 to Sept. 15	0 52½	0 60	0 45	0 60
Sept. 16 to Sept. 30		0 65	0 45	0 65
Oct. 1 to Oct. 15	0 57½	0 75	0 55	0 75
Oct. 16 to Oct. 31	0 67½	0 85	0 65	0 85
Nov. 1 to Nov. 10	0 77½	1 05	0 75	1 05
Nov. 11 to Nov. 20	0 85	1 25	0 80	1 25
Nov. 21. (Close of navigation)	1 05	1 45	1 05	1 45

1903. Sailings.	Provisions and Mdse.	Grain.	1904. Provisions and Mdse.	Grain.
	$ cts.	$ cts.	$ cts.	$ cts.
Allan and Dominion Lines.				
May 1 to Sept. 15	0 20	0 25	0 20	0 25
Sept. 16 to Sept. 30	0 25	0 30	0 22½	0 27½
Oct. 1 to Oct. 15	0 27½	0 32½	0 27½	3 20½
Oct. 16 to Oct. 31	0 32½	0 37½	0 30	0 35
Nov. 1 to Nov. 10	0 42½	0 47½	0 35	0 40
Nov. 11 to Nov. 20	0 50	0 55	0 42½	0 47½
Nov. 21. (Close of navigation)	0 75	0 80	0 50	0 55
Per C. P. R. Line.				
May 1 to Sept. 15	0 22½	0 27½	0 22½	0 27½
Sept. 1 to Sept. 30	0 25	0 30	0 27½	0 32½
Oct. 1 to Oct. 15	0 30	0 35	0 30	0 35
Oct. 16 to Oct. 31	0 37½	0 42½	0 35	0 40
Nov. 1 to Nov. 10	0 54	0 50	0 40	0 45
Nov. 11 to Nov. 20	0 52½	0 57½	0 42½	0 47½
Nov. 21. (Close of navigation)	0 75	0 80	0 75	0 80
Per Thompson Line.				
May 1 to Sept. 15	0 25	0 30	0 25	0 30
Sept. 16 to Sept. 30	0 30	0 35	0 32½	0 7½
Oct. 1 to Oct. 15	0 40	0 45	0 35	0 40
Oct. 16 to Oct. 31	0 50	0 55	0 42½	0 47½
Nov. 1 to Nov. 10	0 60	0 65	0 47	0 52
Nov. 11 to Nov. 20	0 70	0 75	0 57½	0 62½
Nov. 20. (Close of navigation)	1 00	1 30	0 62½	0 67½
Per Donaldson Line.				
May 1 to Sept. 15	0 25	0 30	0 25	0 30
Sept. 16 to Sept. 30	0 30	0 35	0 32½	0 37½
Oct. 1 to Oct. 15	0 40	0 45	0 35	0 40
Oct. 16 to Oct. 31	0 50	0 55	0 42½	0 47½
Nov. 1 to Nov. 10	0 60	0 65	0 47	0 52
Nov. 11 to Nov. 20	0 70	0 80	0 57½	0 62½
Nov. 20. (Close of navigation)	0 75	0 80	0 62½	0 67½
Per Manchester Line.				
May 1 to Sept. 15	0 35	0 40	0 35	0 40
Sept. 16 to Sept. 30	0 40	0 45	0 37½	0 42½
Oct. 1 to Oct. 15	0 50	0 55	0 42½	0 47½
Oct. 16 to Oct. 31	0 60	0 65	0 55	0 60
Nov. 11 to Nov. 20	0 75	0 80	080	0 65
Nov. 1 to Nov. 10	0 75	0 80	0 60	0 65
Nov. 21. (Close of navigation)	1 05	1 45	0 90	0 95

1905. Sailings.	Provisions and Mdse.	Grain.	1906. Provisions and Mdse.	Grain.
	$ cts.	$ cts.	$ cts.	$ cts.
To Liverpool per Allan, C. P. R. and Dominion Lines.				
May 1 to Sept. 15	0 17½	0 22½	0 25	Same rates as provisions.
Sept. 16 to Sept. 30	0 17½	0 22½	0 30	
Oct. 1 to Oct. 15	0 25	0 27½	0 35	
Oct. 16 to Oct. 31	0 27½	0 30	0 45	
Nov. 1 to Nov. 10	0 35	0 37½	0 50	
Nov. 11 to Nov. 20	0 42½	0 45 to 15th.	0 55	
Nov. 21. (Close of navigation)	0 55	0 57½ to 25th.	0 65	
To London per Allan, C. P. R. and Thompson Lines.				
May 1 to Sept. 15	0 20	0 25	0 25	
Sept. 16 to Sept. 30	0 20	0 25	0 30	
Oct. 1 to Oct. 15	0 25	0 27½	0 35	
Oct. 16 to Oct. 31	0 27½	0 33⅓	0 45	
Nov. 1 to Nov. 10	0 45	0 45	0 45	
Nov. 11 to Nov. 20	0 52½	0 55 to 15th.	0 55	
Nov. 21. (Close of navigation)	0 60	0 65 to 25th.		
To Glasgow per Allan and Donaldson Lines.				
May 1 to Sept. 15	0 22½	0 25	0 25	
Sept. 16 to Sept. 20	0 22½	0 25	0 30	
Oct. 1 to Oct. 15	0 27½	0 27½	0 35	
Oct. 16 to Oct. 31	0 30	0 37½	0 45	
Nov. 1 to Nov. 10	0 37½	0 45	0 50	
Nov. 11 to Nov. 20	0 47½	0 50 to 15th.	0 55	
Nov. 21. (Close of navigation)	0 55	0 60 to 25th.	0 65	
To Bristol per C. P. R. and Dominion Lines.				
May 1 to Sept. 15	0 20	0 25	0 25	
Sept. 16 to Sept. 30	0 20	0 25	0 30	
Oct. 1 to Oct. 15	0 27½	0 27½	0 35	
Oct. 16 to Oct. 31	0 32½	0 35	0 45	
Nov. 1 to Nov. 10	0 40	0 47½	0 47½	
Nov. 11 to Nov. 20	0 47½	0 52½ to 15th.	0 55	
Nov. 21. (Close of navigation)	0 55	0 60 to 25th.	0 65	
To Manchester per Manchester Line.				
May 1 to Sept.	6 30	0 35	0 35	
Sept. 15 to Sept. 30	0 30	0 35	0 40	
Oct. 1 to Oct. 15	0 40	0 45	0 45	
Oct. 16 to Oct. 31	0 45	0 50	0 55	
Nov. 1 to Nov. 10	0 55	0 60	0 65	
Nov. 11 to Nov. 20	0 67½	0 72½ to 15th.	0 65	
Nov. 21. (Close of navigation)	0 85	0 90 to 25th.	0 75	

(Rates for 1907 same as 1906, except Manchester which rates are 2½ cents less all through).

RETURN

(94)

To an Order of the House of Commons, dated the 9th December, 1912, for a copy of all papers, documents, letters, &c., between the Government of Canada and the Commonwealth of Australia for the past twelve months relative to the matter of preferential tariff arrangements between the said two countries.

LOUIS CODERRE,
Secretary of State.

Office of the Commissioner of Commerce,
Ottawa, January 4, 1913.

Dear Mr. Tudor,—With reference to former correspondence, I beg leave to say that, as at present advised, I shall leave Canada for New Zealand on February 19, and will take part in the deliberations of the Dominion Royal Commission, first in New Zealand and afterwards in Australia, reaching the latter country about the last of March.

Whilst engaged in that work I shall be able to have an informal conference with you and members of your Government with reference to possible preferential arrangements between Canada and Australia, and at the conclusion of the proceedings of the Dominion Royal Commission in June, will be able to devote such time as is necessary exclusively to our negotiations.

I will keep you informed as to my movements and the time when I shall arrive in Melbourne.

Yours sincerely,

(Sgd.) GEORGE E. FOSTER.

Hon. Frank Tudor,
Minister of Commerce,
Melbourne, Australia.

Office of the Commissioner of Commerce,
Ottawa, December 11, 1912.

Dear Mr. Tudor,—I have your letter of November 1st, and thank you for the same.

I am glad to know that the contingency of elections will not prevent a full discussion of the question of reciprocal trade, and I thank you for the assurance of welcome and good-will.

Yours sincerely,

(Sgd.) GEORGE E. FOSTER,

Hon. F. G. Tudor,
Minister of Commerce,
Melbourne, Australia.

DEPARTMENT OF TRADE AND CUSTOMS,
COMMONWEALTH OF AUSTRALIA,
MELBOURNE, November 1, 1912.

DEAR MR. FOSTER,—I received with pleasure your note of 26th September last, intimating your contemplated visit to Australia.

Whilst you will arrive here during the usual turmoil of our general elections, that feature will not interfere with our opportunity for full discussion of the question of reciprocal trade—a subject which both our governments are keenly interested in, and which, if successfully and wisely consummated, must prove of substantial benefit to Canada and Australia.

You may be sure of a warm welcome, and that my colleagues and myself will endeavour to make your stay in Australia pleasant and enjoyable.

I have given your message to Mr. Fisher, who joins me in reciprocating good wishes.

With kind regards,

Yours sincerely,

(Sgd.) FRANK G. TUDOR.

The Hon. GEORGE E. FOSTER,
Minister of Trade and Commerce,
Ottawa, Canada.

OFFICE OF THE COMMISSIONER OF COMMERCE,
OTTAWA, September 26, 1912.

DEAR MR. TUDOR,—I was on the point of writing you when I received advices from our Mr. Ross that your Government has decided not to introduce any tariff legislation at the present session of your parliament. This action was not unexpected by me as I knew the difficulties of bringing down important and controversial legislation towards the dissolution of Parliament.

It soon became apparent to me, as it no doubt did to you, that there were great difficulties in the way of conducting tariff negotiations at such long distances, and these, in the case of Canada and Australia, were enhanced on account of the nature of the products to be interchanged. I think, however, that it would be to the advantage of both countries that personal conference should take place when we can talk over freely and far more thoroughly the various articles to be included in our proposed arrangement. So far as at present advised, I expect to be in Australia not much latter than the middle of April and to remain there for some considerable time. I hope that by that time your elections will have been over, and that we shall be able to sit down and give thorough and sympathetic consideration to the whole subject of our commercial relations, and I do not have any doubt that we shall arrive at a satisfactory conclusion.

The assurances of your premier and yourself as regards your desire and sympathy to that end are amply sufficient to justify the hope that I have expressed, and you may rest assured that Canada is none the less sympathetic than your Commonwealth.

Kindly remember me to Mr. Fisher and accept my assurances of regard and esteem.

Yours sincerely,

(Sgd.) GEORGE E. FOSTER.
Minister of Trade and Commerce.

Hon. FRANK TUDOR,
Minister of Commerce and Labour,
Melbourne.

EMIGRATION FROM BELGIUM AND FRANCE

TO

CANADA

REPORT

On an enquiry made during the winter 1911-12 by Mr. Olivar Asselin, at the request of the Department of the Interior.

OTTAWA
PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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MONTREAL, December 17, 1912.

Mr. W. D. SCOTT.
Superintendent of Immigration,
Ottawa.

SIR,—In conforming with your instructions, I have in the course of a trip to Europe last winter, studied on the spot the question of immigration from France and Belgium to Canada. I left on January 11, and returned on April 23, after having spent three weeks in Liverpool, Birmingham and London, one week in Belgium and eight weeks in France. My object in going first to England was to acquaint myself as much as possible with the processes of propaganda employed by the Canadian agents in that country, in order to judge whether, and to what extent, they could be applied in France and Belgium. My relatively short stop in Belgium is due to the fact that I did not observe in that country any of the difficulties that, in France, seem at first sight to hinder emigration to Canada, and moreover being obliged by sickness to come back by Havre, I could not as I had wished, return to Anvers, to make a complimentary sojourn, with your agent, Mr. de Coeli, of a few days in the Flanders and the official centre of Brussels.

In submitting to you now this report of my inquiry, I beg to assure you that uncontrollable circumstances did not permit me sooner to accomplish this duty, I also pray you to note that, leaving aside, of course, my persoal opinion in the principle itself of encouragement to immigration I have, in this work, placed myself in the viewpoint of the Government, which, if I am not mistaken, is the opportunity to attract to Canada, by all legitimate means possible, the greatest number of corporally and mentally sane subjects, capable of adapting themselves to Canadian life.

It did not belong to me to reopen the question of the value of the Belgium and French settler in Canada, after the declarations made in different occasions by the Immigration officers.

Your predecessor, Mr. Smart, in his report of 1907, declares that 'the French and Belgian farmers are amongst the best that we can bring to Canada.'

Mr. J. Obed Smith, your present general agent in England, but then Commissioner of Immigration at Winnipeg, and in that capacity, entrusted with the direction and superintendence of immigrants in the western provinces, writes in 1907:—

> 'The great majority of French and Belgian immigrants are farmers. . . These settlers are very successful and thrifty.'

We read in a previous report of Mr. Smith:—

> 'The striking feature of the year is the arrival of a great number of French emigrants with their families. I am happy to report that we have been able to procure them employment with good wages. They willingly accept the work that is offered, specially from their countrymen, and they are anxious to learn and save the money required to acquire a farm for their own account. I am glad to say that anywhere in western Canada the French and Belgian are very successful. The energy and ingenuity which they apply to their work characterizes their farming operations.'

Mr. J. Bruce Walker, formerly general agent in England, who succeeded to Mr. Smith, at Winnipeg, writes in 1909:—

> 'The French and Belgian emigrants who came here last year were the best class, as they were nearly all farmers they accepted service on farms, or took lands for their own accounts.'

In 1911 the same officer, referring to the French, Belgian, Swiss, German and Scandinavian emigrants, in the above order, says, 'These people are an unusually good class, and accept work at agriculture with great readiness.'

What could I add, but that the Belgian and French farmers by their perfect knowledge of mixed farming and soiling will be specially precious in a country like western Canada, where the cultivating of the soil is still in an elementary state, and that the French and Belgian workers, the most skilled and industrious of all Europe, would be an inestimable acquisition for our young industry, specially in the west. Belgium with a population of nearly eight millons and a territory about the size of some counties of Quebec, has only one colony, whose white population is not over fifteen hundred souls, after the most intelligent and persevering efforts made in modern times, for its settlement and exploitation. I met at Antwerp, on his way to Harwich, a young Belgian, who was going as agent for a commercial firm of Liege, to establish himself in Kantanga, presently the only region of the Belgian Congo, wherein white people can reside. This young man was going to Harwich by boat, from Harwich to Southampton by rail, from Southampton to Cape by steamer, from the Cape to Broken Hill by rail, through Boulouvayo, from Broken Hill to the Kantanga in a cart drawn by oxen, that means with a half a dozen transhipments, and either by boat, rail or cart, a five weeks' trip costing for second class everywhere, except in the oxen drawn cart, four hundred dollars. He could have gone by Suez and through eastern Africa, but his patrons, all reckoned did not see any saving by it.

How many common people, servants, peasants, workmen, mechanics, tank-workers could afford a five weeks' trip of four hundred dollars, to try and try only to improve their condition? Is it not evident that the virtual impossibility of the return, in case of failure, will always impede the immigration of these different classes, with one which no serious settlement is possible? The Congo shall some day, perhaps, be accessible to white people's activity, although many even in Belgium doubt it, but it seems that, for the present, public officers and traders only can find any profit in it. The bulk of Belgian emigration at the present moment directs its steps towards the north of France. It is reckoned that every year more than one hundred thousand Belgians cross the frontier to work all the harvest in the French provinces, but thousands of them remain in France, in departments where not only the price of land is higher than anywhere in Canada, except in the immediate vicinity of large towns and cties,, but where the attachment to the land being stronger than here, it is more difficult, even at a higher price to acquire a large domain. The day is near when Belgium, in spite of its economic regime and social institutions which make pauperism unknown in that nice country, will no longer be able to nourish all its population, do what she might, and will have to resign itself to let tens of thousands of its children migrate to foreign countries. All the leading men which I have met are of opinion that Canada could easily draw the most part of that emigration. The committees named 'Expansion Mondiale,' sitting at Mons in 1905 during the Liege exhibition, adotped a resolution to the effect that Belgian youths should preferably emigrate to our country. In the high commercial schools, as the Saint Ignace Institute, at Antwerp, they already and very properly teach the economic geography and history of Canada.

France with a less dense population, with births scarcely equal to deaths, a more exacting military service, still differs from Belgium in the fact that it does not lack colonial territories, and itself needs farm labourers. Nevertheless the difference is not as great as it appears at first view. Although France has always been and will always be in need of labourers on any point of its territory, and for any of its industries, it does not follow that it can or even ought to, hold its people by force. In England also, which after all does not suffer by it, emigration is strongly objected to by the large agriculturists.

I refer you on this point to the testimony of Mr. John McLennan, now agent at Birmingham, who wrote on March 31, 1911, from Aberdeen, where he was then stationed: 'Some of the large farmers and employers of labour are opposed to our work.'

The wish for, I should say the need of, property which cannot be better fulfilled than in the colonies, is perhaps the more noted feature of the French. In France as anywhere else, the imposition of burdens more and more heavy on the ratepayers, that is in short to all for the maintenance of civil and military institutions, induces, a great many to seeking elsewhere a political regime, more favourable to individual efforts. Finally, under a Government so strongly centralized and ruled by ideas, there will always be a portion of the population which will not put up with the social or religious theories of the men in power. Here are as many causes which might, by a free action, largely increase emigration. It is not to be wondered that the French people do not emigrate more to their own colonies. While in Canada, specially in central Canada, commonly called the Canadian West, the cultivation of lands gives profit the very first year, the possible cultures in Algeria or Morocco, not to speak of other countries where difficulties, though of other kinds are not less, only become profitable after several years, from which it follows that the first expenses are lower in our country. There are now two hundred thousand French in the Argentine Republic. They have settled there, because the Argentine, contrary to nearly all the French colonies, is a hospitable and generous land, to the poor settler and for the white settler, what the English in their admirable language call it 'a poor man's and a white man's country." With natural resources, as abundant and more varied, and a French population ten times more considerable, Canada in spite of its colder climate, which nevertheless all the Europeans endure wonderfully well, should attract at least as much as the French emigrant. It is to be noted that, far from opposing emigration to Canada, the societies which private initiative has created in France these late years for French colonial or commercial expansion, have rather favoured it. Such is the case of the Dupleix Committee, as also of the Committee *France-Amérique*, a section of which existing at Montreal has just, after a few years of silence, set actively to work. The *Canadienne*, created at Paris ten years ago by French people, has no other object than to make known in France, by means of lectures and publications the advantages of farming colonization in our country.

There follows a statement of Belgian and French emigration from 1900-1901 inclusively to last year:—

Year.	Belgian.	French.
1900-1901	132	350
1901-1902	223	431
1902-1903	303	937
1903-1904	858	1,534
1904-1905	796	1,743
1905-1906	1,106	1,648
1906-1907*	650	1,314
1907-1908	1,214	2,671
1908-1909	828	1,830
1909-1910	910	1,727
1910-1911	1,563	2,041

*Nine months only.

In order to ascertain whether this double current could be increased it will, perhaps be useful to see to what extent the means employed by the Canadian Government in England are applied or could be applied in Belgium and France.

In the British Isles our work of prapaganda comprises:—

(*a*) *The services of district agents,* directed by a chief agent, located at London, who acts under the instructions of the general manager or Superintendent of Immigration at Ottawa. In 1911 there were eight of these district agents (that is one for every five million people), and the chief agent, Mr. Obed Smith, in his annual report of 1910 and 1911 earnestly asks the appointment of two more, one (speaking Welsh) for Wales, and the other for England. Each has his own staff and office.

(*b*) The delegations of Anglo-Canadian settlers, spread over the English territory according to their original place. Those farmer delegates are naturally chosen amongst the most intelligent and successful. They come to England in the fall and return in the spring of the year. Thirty-eight men sent in 1910-1911.

(*c*) .*Illustrated lectures.*—Four hundred and fifty more delivered last winter by the government agents at a cost of $50 each, and many more yet by agents of Canadian transportation companies, one of these, the Canadian Pacific Railway Company, has quite a host of lecturers, teachers, clergymen, and private individuals, who wish to deliver lectures on Canada, are furnished free of cost with views and a lantern. Add to this the more intimate and familiar talk of the farmer delegates to groups gathered by them.

(*d*) *Advertisement and newspaper articles.*—This item has cost about $50,000 in 1911, not including the many special editions of Canadian newspapers distributed in England. Half of that sum has been spent directly by Ottawa with the other half, our London agent has published advertisements in six hundred newspapers, the most part of which, predisposed in favour of Canada by this consideration, gratuitously inserted notices, agricultural information, and even original articles on our country. I am informed by Mr. Smith that the number of newspapers will be increased this year from six hundred to one thousand, then the whole English territory will be reached by our publicity operations. The agricultural information is inserted preferably in the country newspapers which are generally published on fair or market days. There exists in the London office, under the active and intelligent direction of Mr. Just, a publicity department through which our chief agent can at all times and at a moment impress upon English opinion.

(*e*) *Premium to navigation companies' agents,* for certain classes of emigrants, farmers, farm servants, &c., this premium is not paid without discernment, the steamship agents are periodically visited, for two reasons; first, to stimulate those who lack initiative, and secondly, to punish those who might abuse the public, and specially the labour man. In his report of 1911, Mr. Smith insists on the insufficiency of his inspection staff and the urgent necessity of increasing it.

(*e*) *Free distribution of literature.*—In 1911, the Government printed or bought, for his English agencies, 1,721,675 copies of maps, pamphlets and newspapers, of which 1,150,570 copies were sent to Liverpool where the distribution office is 'Nevertheless,' says Mr. Smith in his report of 1911, 'the demand for literature has been so great that at times we have been obliged to have small extra editions of the pamphlets printed here.'

All the schools are provided with maps and all pamphlets are sent to the teachers. The literature is addressed by mail to farmers, and farm servants which we cannot reach otherwise. If you add the maps, pictures, provincial, municipal or even individual publications, you will have an idea of the part played by literature in our operations.

(*g*) *Exhibitions.*—Apart from the great national, imperial or international exhibitions, as those which were held these late years at Glasgow, Cork, London, the permanent exhibition as at Crystal Palace, the participation agricultural shows, and the exposition of natural and agricultural produce which is made in its offices and in the

steamship agencies, Canada makes use, since a few years, of circulating, or rather calling exhibitions. Two large automobile lorries (trucks), and several horse-drawn vehicles, loaded with farm produce, go from fair to fair, from market to market, stopping on public squares along the way, the driver addressing crowds, and distributing to them literature with samples of products, that is, it seems, one of the most efficacious mode of advertising.

(*h*) *Co-operation of public and private assistance bureaux.*—On 2,048 subjects, introduced by these in 1911 our agents have accepted 1,378.

(*i*) *Periodic trips of agents and lecturers to Canada* to allow them to provide themselves with documents and to obtain information by sight.

(*j*) *Spreading of precise information referring to the wants of farm and domestic labourers in Canada.*—This information gathered on the spot by agents of the Department of the Interior, which could be purveyors of labour, is forwarded to the chief agent at London, who communicates it to his subordinates, to the steamship agents, to the assistance and employment bureaux. There are in Ontario 88 of these agents and 16 in the English sections of Quebec. During my stay in London, Mr. Smith showed me a circular which he had just received from the Department containing a recapitulation, according to the reports of these agents, of the wants of labour in thirty-nine localities of Ontario and in one of Quebec, for the following spring season. Those demands formed an army of over seven thousand, comprising a great number of families and a high proportion of unskilled labour. Mr. Smith, in communnicating the circular to the steamship agents, wrote them that they could conclude from it the assurnace that the department would look to the placing of all the emigrants in equally good situations, should they be too numerous for a stated place.

Those are in short, the means by which Canada has been able to increase its immigration from England, from 11,810 to 123,013 during the ten years period from 1900-01 to 1910-11, when for the first time it exceeded American immigration. If I refer to them here, it is only to demonstrate that the success of an immigration campaign specially depends on publicity, notwithstanding the primary dispositions of the people concerned. In proof of this statement I could also cite Australia. Up to those late years emigration from England to Australia was reckoned by the hundreds. Five years ago that colony was yet less known, and less favourably looked upon in London than was Canada thirty years ago. In 1909-10 Canada received 67 per cent of English emigration, and Australia 12·8 per cent only, in 1911-12 Canada 65 per cent and Australia 19·5 per cent, last year Canada 54·9 per cent and Australia 28·2 per cent, and it is expected that Australia will equal Canada this year, or at least next year. I could still mention New Brunswick, which was virtually receiving no emigrants four years ago, and which, through the opening of a particular agency in London, received three thousand last year.

It would not be just to say specially after the exhibition of Liege and Brussels, that we have done nothing in Belgium but what we have done there so little answered to the exigencies of the situation that it is not surprising to see that the annual immigration from that country reach the figure of 1,463.

In order that the great exhibitions of 1905 and 1909 could have much influence on emigration, it would have been necessary.

1st. That your department should have been entirely free to give information to visitors through its own agents. Now I am told by your agent at Antwerp, Mr. Treau de Coeli, that on both occasions the Canadian Commissioner, Mr. Hutcheson declined to adjoin him to his staff, which, belonging to the Department of Agriculture, had not stayed long enough in Belgium to know the people, and anybody could not but have made a very summary study of the emigration problem.

2nd. To supplement these exhibitions by a systematic work in proportion with the endeavours made towards the same. Now, referring only to the four last years, here follows the detailed budget of the Anvers agency:—

—	General Budget.	Monthly Salaries paid by London.	Newspapers. Publicity.	Printing in Belgium.	Total in ($) dollars. *
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1908-09	502 10 4	33 3 4	76 5 4	.....	5,000
1909-10	629 8 1	37 13 4	73 2 6	.....	6,000
1910-11	608 17 9	37 13 4	75 10 7	.....	5,775
1911-12	600 0 0*	37 12 4	75 0 0	58 16 0	6,000

*Approximately.

Add to that the cost of printed matter received from London, Ottawa, Brussels (balance from the exhibition), and also from Paris, viz., 38,800 copies in 1908-1909, 8,600 copies in 1909-1910 and 18,575 copies in 1910-1911.

With these modest resources the agent:—

(*a*) Delivers personally fifteen to twenty lectures during each winter.

(*b*) Causes the teachers to deliver about the same number to their pupils, and with the aid of information and material furnished by himself, these are generally repeated in the evening before classes of adults. Let me say by the way that the Belgian Congo is, except Canada, the only colony to which the teachers give a particular attention.

(*c*) Publishes monthly in French and Flemish four thousand in each language of a small newspaper, four pages 12-inch x 16, entitled 'Canada West.'

(*d*) Forward literature, including the *Canada West*, by mail to eight or nine thousand teachers, to steamship agents, &c.

(*e*) Answer by letter or verbally to every demand of information.

(*f*) Insert plain notices in 62 Belgian (Welsh and Flemish) and 28 Dutch newspapers.

This work, though praiseworthy, does not after all differ much from that done in the first years of our agency, established in 1898. It is always the same routine, conscientiously followed, on certain points, there is even a step backward, for there was a time when our agent used to deliver an average of two or three lectures per week.

The present agent is intelligent, conscientious and well thought of, his knowledge of four languages, viz., French, English, Flemish, and Dutch, give him a special competency, and he shows a splendid activity in spite of his advanced age (he is, I believe, over 65 years), but his means af action are too restricted. Let us add that not one Anglo-Canadian Steamship Company causes lectures to be delivered, although they have agents in that country, and one of these, the Canadian Pacific Railway Company, has a direct line to Antwerp, and it is not to be wondered if he does not obtain better results.

These results are even surprising if we take notice that one-fourth, if not one-third, of the above modest budget is applied to Holland, which depends also on Antwerp agency, and from whence 931 emigrants came to Canada in 1910-1911 against 25 in 1900-1901, and 35 in 1901-1902.

The share for Belgium does not exceed $4,500. I inquired from Mr. de Coeli if any article of the laws of Belgium would prohibit the sending of farmer delegates to

that country? He answered me in the negative, in fact one or two came during the winter of 1909-1910, and another one in 1910-1911, his name was Mercier. He came without instructions, hardly saw our agent, and went back the following spring, without having done either good or bad.

The participation of Canada in agriculture fairs? No. The permanent exhibition of Canadian produce in the steamship agencies? No. The co-operation of our agent with the assistance bureaux? No. A more strict control of the steamship agents, with the suppression of the premium as sanction? No. The publication of our wants of farm and domestic labour through the steamship agents? No. The periodic trips of the lecturers and agents to Canada? No. The circulating exhibition? No. The publicity in newspapers? No.

Finally, Mr. de Coeli summed up all his answers to me by stating that nothing in the laws or police regulations of Belgium prohibit us from virtually doing in that country, with certain modifications, the same work as in England, that at a very much lower cost, we could, with regard to population obtain as good results. The repressive action of the Belgian Government is only employed against breach of trust, it is to prevent those abuses, possible in Belgium as in England, that they require from steamship agents about 40,000 francs.

If our own agency, 23 Place de la Gare, bears the modest name of *Information Bureaux*, it is because the emigration agent,, according to the laws of Belgium, is not the person who sells the fare tickets, but the company who employs him, he being simply an employee, and as such, subject to the much smaller bond, and Canada can then prosecute, through authorized agents, all the propaganda operations which it will think fit to do, upon the only condition that it will respect the truth.

The Belgian Government never ignored the existence of our agency, they know that our action does not restrict itself to give information, undesignedly to intending emigrants to Canada, but they have always closed their eyes to it. Mr. de Coeli is on the best of terms with the immigration inspector at the port of Antwerp, Mr. Venescon. The Government themselves, though the Department of Foreign Affairs, published last year, on Canada, for the use of emigrants, a pamphlet, which I hold at your disposal, and which although more concise than most of our own, and less exuberant in its optimism, is very sympathetic all the same. The emigrants have the benefit of special fares on the railways managed by the Government, within a circuit of 100 kilometers from Antwerp, the ordinary tariff is reduced to half in their favour. Argentina has at Brussels an agency which, the same as ours, operates freely.

Does our agent lack initiative? Should he have, and has he made to our chief agent at London, from which he depends, the suggestions required to increase his means of action? Does the responsibility rest on his superior? In order to decide the question I should want information which it was not in my power to obtain. However, some of the official representatives of Canada in London are under the most erroneous impression concerning Belgian emigration. In your letter of January 5, you told me to take instructions from Lord Strathcona while in London. I saw the High Commissioner twice, and each time, he mentioned to me what he called the hostility of European Governments regarding emigration. Each time he related to me that, a few years previously, he had nearly placed himself in a bad fix for having attempted to relieve a Canadian agent arrested by one of those Governments. Each time he advised one, and repeatedly, to be extremely prudent, if I wished not to expose myself to trouble. One would have thought that jail was open for me on my landing in Belgium. The same story was repeated to me at least once, by the secretary of the Commissioner, Mr. Griffith. It was only later, and on the spot, that, having known the very special circumstances the origin and the venerable antiquity of the incident which had so much alarmed the noble Lord, I understood the real importance of those stories. I

am far from doubting the good faith of the High Commissioner or of his secretary, I only state that being able, owing to their position, to keep themselves posted day by day, and exactly on the Belgium opinion, they talked of it as if they did not know anything of it.

I also could, on the same subject, note one occurrence in the official relation of Mr. de Coeli with his immediate superior, Mr. Smith.

In 1911, the great socialist paper, *The People,* inspired by a Belgian who entrusted a few years previously with a particular mission in Belgium, had quarrelled with Mr. de Coeli, engaged in a campaign against Canada. Its articles were reprinted in newspapers of divers opinions, and the reputation of Canada suffered by the fact. Our agent wanted to refute, Mr. Smith dissuaded him from it, saying that, in an emigration campaign, actual work is worth more than controversies, that he, himself, had realized so much in England, by seeming to ignore critics. Apparently Mr. Smith was talking very sensibly, but he was forgetting that, if it is possible with a publicity budget of $5,000 per year to cause to sing the praises of Canada loud enough to silence all critics, it is no more the same with £75 ($375) per year, which is as we remember the publicity budget of the Antwerp agency. And that difference escaped Mr. Smith's mind not because he is against Belgian emigration, we have already seen on the contrary that he is in favour of it (and I make it a pleasure as well as a duty to declare that not often a gentleman gave me such an impression of largeness of his views), but because being entirely absorbed by the gigantic work which he does, and so well, in England, he can not either actively nor knowingly, attend to Belgium. Last fall, the inauguration of the publicity campaign, if we may so call the appropriation of a modest credit of $375, was delayed several weeks on account of a difference of views, between Mr. de Coeli and Mr. Smith about the nature of advertisements to be published.

In order to materially increase Belgium emigration to Canada, it would in my opinion be necessary to:—

1st. Separate from Belgium, Holland, a country too different in its interests, its habits and language, and moreover important enough to be attended to by a distinct agency.

2nd. Withdraw Belgium from the control of the London office.

3rd. Increase the budget and make a trial in that country, through active and intelligent agents, well acquainted with the languages and affairs in Belgium, who would themselves as much as possible use the service of the authorized emigration agents, of the propaganda means employed in England, and which are not prohibited by the Belgian Government. Publicity especially, would require a much larger amount. This mode of action, wisely employed, shall give so much more results, as Belgium is one of the countries in the world where newspapers are more spread. Last year there were published in that country 76 daily newspapers, of which 56 in French and 20 in Flemish, 130 large weeklies, of which 80 in Flemish and 50 in French, and about as many local weeklies.

I have said, make a trial through agents, in fact, the Belgian territory could very soon be divided into Antwerp for Flanders and Brussels for Walloony.

Should a consulary or commercial agency be appointed in Belgium, there shall be established a close co-operation between it and the emigration agencies. Australia having no agency in Belgium, Canada's operations will be all the more efficient. I shall add that the present staff seems to me insufficiently paid.

With respect to our work in France it has, since a few years, raised in the French official circles, an opposition the cause of which it is urgent to remove, if we do not wish to allow the situation to grow still worse.

On several occasions the French Government by the Department of the Interior entrusted with public security, has highly manifested its dislike about the Canadian agents' work in France.

On June 25, 1909, Mr. Clemenceau instructed the prefect to warn the French public of *the dangers* of emigration to Canada, 'a country where alone farm-servants hiring their services to land owners, and mechanics possessing sufficient means to set up for themselves, can settle under favourable conditions.' And that circular, including many items on the deficiency of roads and railways, 'that want and call for, sectionmen and labourers. The difficulty to sell agricultural products, &c., is itself railway sectionmen and labourers.' The difficulty to sell agricultural products, &c., is itself but the issuing of a circular of February 26, 1886, apparently directed against the agent which the government of Quebec was then sending to France.

On August 21, 1911, Mr. Briand, who had succeeded to Mr. Clemenceau, forwarded to the prefects, 'in virtue of his office' a notice which he begs them to insert, *without mention of origin,* (these words are underlined in the text) and as an ordinary news in the newspaper of the towns and districts where French emigrants are principally recruited, employees, industrial mechanics and farm labourers, for Canada. In that notice it is said—

(*a*) that, with a very few exceptions, the clerks, the young men of quality, the office employees, meet in Canada, but 'disappointments and failure.'

(*b*) that, outside of Montreal, if he is not familiar with the English language, and everywhere if he does not belong to the syndicates or 'unions' the foreign mechanics can hardly find work, that moreover the difference in tools almost imposes a new apprenticeship and that, on account of the mode of living the salaries are not as high as they seem at first, in short that 'the mechanics who have slight chances of success are those who are skilled or special labourers, knowing the English language.'

(*c*) that, seeing the insufficiency of transport accommodation and the difficulty of selling their crops, and also the scarcity of manual labour even the farmers are not always sure to succeed, 'They have the more luck,' says the circular, but yet they have to go to the north-west, and they must be vigourous, experienced, and possess a capital of at least ten thousand francs, and as much as possible, a family who saves them paid labour. They should have initiative, not fear a severe climate and work with perseverance and courage during ten or fifteen years. 'At that price,' adds the notice, 'they would have succeeded in France and suffered much less. And the minsiter concludes: 'The best French emigration to Canada would still be our directors of enterprises, engineers, &c., and our capital well employed and controlled by a French founded bank.'

A circular of which I have not the exact date, but which goes back to the Combes Ministry in 1905, reads thus:—

> 'Mr. Prefect, my attention has been several times drawn to the increase of the rural population, specially in the Departments of the South and Savoie and that fact is attributed to increasing emigration of youths.
>
> 'Some duly authorized agencies have, in fact, extended their action upon nearly all the territory, and in order to recruit the greatest possible number of labourers intended for different countries of America they most often make an exaggerated or even false description of the advantages to be met in those remote parts. The sub-agents whom they employ do not confine themselves to verbal promises. They also issue hand bills and pamphlets, they even make use of irregular auxiliaries, that is of individuals who do not hold an authentic proxy of an emigration agency only authorized by the Government.

'Recent acts of illicit recruitment, which I have established to be submitted to the Courts, appear to me of such a nature as to justify a more severe watch in order to prevent the extension of a traffic whose agents would resort to any means to earn the premium allotted to them for each person they can engage.

'Whilst insisting that each violation of these instructions should immediately be proved and prosecuted according to law, you will be careful to recommend to the above mentioned officers (under prefects and officers of judiciary police) to quite specially watch posters purporting appeals to French labourers to emigrate and to refuse authorization to post up placards where agents would entitle themselves otherwise than agents authorized by the French Government, the proof of which they would have previously to furnish.

'Finally, you shall also recommend to the same officers to prohibit distribution of pamphlets appealing to emigrants, they should always refuse permission for such distribution.

'There is no reason to except our countrymen from this rule, for it is important to keep them at home where they are useful for farm labour and they may be called to fill the obligations imposed by the recruitment law.

'I recommend you at last, Mr. Prefect, to renew to the agents of Emigration police the order to draw up an official report for violation of the law, against any individual who would meddle with emigration operations without being authorized thereto either directly by the Minister of Agriculture and Commerce, or through an authentic power of attorney given him by an authorized agency.'

At last, as a direct consequence of the campaign made by a portion of the French press against our agency, there was an exchange of diplomatic communication between the French Government and the English embassy, in 1910-11. It is from the above situation that in some Canadian political circles, they have concluded that no emigration propaganda was possible in France, in order to judge intelligently it is necessary:—

1st. To admit the absolute right of the French Government to protect its countrymen against breaches of trust by emigration agents (including steamship agents), even without any law to that effect. Now, it does not appear that the object of the above circulars, though containing some errors in point of fact, is anything but the repression of breaches of trust, what we commonly call false representations.

2nd. To acknowledge the truth, which may be or is evidently contained in the circulars and communications of the French Department of the Interior, on the dangers which an inconsiderate emigration from France to our country would present, not only for France, but for Canada itself. Nothing authorizes us to believe that in spite of its quite natural look of Combes, the circular of 1905, which, let it be said by the way, concerns not only Canada, but all the 'Countries of America', making some propaganda in France by means of premiums or otherwise, exaggerates the audaciousness, the imprudence, nay even the breaches of trust committed by agents at that agitated period of the French life, when the idea of emigration was making such powerful impression on a portion of its nation. One cannot help smiling to-day in reading in the Clemenceau circular that in Canada there are no roads or railways for the farmers, and consequently the sale of farm produce is difficult; that there is 'no demand here for section men and railway labouers,' &c. All such assertions being partially true in 1886, but all told of such an amusing archaism in 1909, and so much more in 1912: but, if this may settle things, we will readily go as far as admit the conclusion that in Canada, 'only farm labourers can settle in favourable conditions' (see above). At last, if the circular of 1911 shows the gloomy side of the obstacles to agricultural colonization, and if the chances of success of the foreign mechanics, already very good in

spite of the obstacles pointed out, cannot but improve in a country wherein, to mention only the building trades, unskilled masons and brick labourers are paid three francs an hour and carpenters as much as two francs, we are, by way of compensation, as much more at ease to admit what is said about office employees, young men of quality, clerks, that after some experiments an unecessary groping our Government, as in fact Mr. Briand confesses it, dissuades this kind of compensation, nay more, advises only farmers emigration.

3rd. To distinguish between the French law and the decrees which complete it, on the one part, and on the other the simple police regulations brought about by the circumstances. The French law on emigration (of course I only cite the essential articles) read as follows:—

Article 1.

No one may undertake the operations of engagement or transportation of emigrants without the authorization of the Minister of Agriculture, Commerce and Public Works.

Article 4.

No vessel intended for the service of emigration may leave port until the captain or the ship owner has obtained a certificate showing that all prescriptions imposed, either by the present law, or by the ministerial law, or by the ministerial decrees and orders edicted in execution of the said law in the interest of the police and of the emigrants, have been complied with.

Article 10.

Any transgression of the Articles 1 and 4 (the latter referring to transportation of emigrants on vessels) of the present law, is subject to a penalty of from 50 francs to 5,000 francs. In case of a second offence in the same year the fine is double.

Any infraction of the regulations of public administration, and of the ministerial decrees and orders issued for the execution of the said regulations and decrees concerning emigration police, is subject to the penalties contained in Article 471 of the Penal Code:—

An executive decree issued on the 9th March, 1861, and still in force, states that 'the emigration companies or agencies may not be authorized to undertake the engagement and transportation of emigrants only on the condition to furnish a bond which would be fixed by the Minister of Agriculture, Commerce and Public Works, within the limits of 15 to 40,000 francs' (Article 1) that 'the agents whom the authorized companies may employ must be furnished with an authentic power of attorney' (Article 4) finally that, 'the companies shall be held responsible for the acts of their agents.'

It may be seen that there is nothing in that law, nor in the decree which forbids the *engagement,* that is the more direct and interested of all the kinds of incitation to emigration. Even now, Mr. Wiallard tells me, all what the law requires is, from the agents, (viz., the steamship companies) a bond of 40,000 francs against transgressions and breaches of trust, and from the sub-agents (viz., the regional or local agents of transportation companies, commonly called steamship agents because they mostly represent steamship companies), a bond of 3,000 francs. The police regulations, issued by the Minister of the Interior, have no other object but to cause the law and the decree to be observed ,and, most evidently, cannot go further. The judicial situation of the emigration agent in France and in England, is not then so dissimilar as it has been claimed to be, since the bond is also required in England. And the actual situation, though more different, still offers 'certain analogy,' since in these years, on the initiative of our agent at London, several ticket brokers have been

condemned by the English tribunals for want of authorization. The only difference rests in the fact that the English Government dispensed of the bond the official agents of the British Colonies.

4th. To distinguish in reading the above circulars between the authorized and the non-authorized agents.

The necessity of that distinction is evident, of course it would be ridiculous to say that, when the French Government expressly points out to its prefects, repressive action the unauthorized emigration agents, it does not concern those who have furnished the obligatory bond, and that when ordering also the repression of breaches of trust of authorized agents, it does not mean to hinder the honest, carrying on of a trade allowed by the law. Your departments agent in Paris, not having furnished a bond, is not authorized to incite people to emigrate. None of the lecturers delegated by your department to France was any more authorized to the purpose. The acts of such incitement committed by your agents or delegates, either under your instructions or otherwise, were then a violation of the French law and it is not to be wondered at if the French Government after several years of more or less gracious forbearance, has at last made them the subject of diplomatic remonstrances.

5th. To distinguish between the lawful and the unlawful acts of the authorized agents, because a steamship agent has furnished the required bond it does not follow that he is allowed to use all kinds of tricks.

6th. To distinguish, amongst the lawful acts, between the opportune and the inopportune ones. Justifiable or not, judicious or not, the circular of 1905 which has preceded and likely brought on the others, was partly resolved by the religious and political considerations which, not only our agents and delegates, but also some authorized steamship agents, used in their campaign in favour of Canada. About 1904, that is one year after the installation of our agency and in the height of the agitation caused by the law on associations, some French missionaries who had resided in Canada a few years went back to France in order to preach an emigration crusade. They naturally, in their speeches compared to what they were calling, justly or not, the tyranny of the anti-clerical Government to the religious liberty enjoyed in Canada. The Catholic press published their utterances, the anti-Catholic press denounced them, and the Government's intervention became inevitable. The Minister of the Interior had the law for him, none of our agents being authorized. Amongst the ecclesiastical or religious delegates whose propaganda would have exceeded the judicious if not the legal limits, the Paris agent mentions, for instance, the Rev. F. D. Dumond, the Abbe's Gaire and Lefloch.

The Paris agency, established in 1903 under the direct authority of your department, placed under the dependency of London in 1905 after the entry of Hon. Mr. Oliver, as Minister of the Interior, and reinstated in its primitive situation of 1908, has undergone so many different influences that it was impossible without a much more thorough investigation, to knowingly allot the responsibility of the present state of things.

Rightly does it seem, however, that the worst causes of its troubles, was precisely those changes of direction unquestionably entailing,—corresponding changes of policy. If we examine its work since the beginning we are struck with the lack of steadiness which marks it. Now, it wants lectures, now it does not want them. Sometimes newspapers advertisements are considered necessary and soon after as dangerous and so forth. Nowhere more than in France it would have been important to previously examine closely the economical and social situation of the country, its laws, the manners and liking of its inhabitants, and then to adopt a well defined line of conduct. Even taking into account the arbitrary part played by the Governments in a Caesarean Republic like France, we feel that our agent, on the contrary has been led, willing or not, now by the command of Ottawa, now by that of London, and now even by the claims of the Canadian political parties, when he was not trying to please everybody.

Our agency had also to bear before the French Government, the responsibility of acts committed in 1907 by one agent of the province of Quebec. I shall quote on that incident the following extract of a memorandum of Mr. Wiallard:—

'In 1907, the Province of Quebec to which Mr. Wiallard had often times offered to distribute its pamphlets specially drawn up to show the advantages of the said province to French emigration, resolved, not to profit by that offer, but to subsidize an 'emigration agency' under the direction of Mr. Deslauriers who came to France to make a propaganda.

'Mr. Deslauriers was recommended by the Minister of Colonization, the Hon. Chas. Devlin, to Mr. Fabre, then General Commissioner, who, representing the the Province of Quebec as well as the Dominion, thought fit to allow Mr. Deslauriers to make his headquarters at the General Commissariat of Canada. Mr. Deslauriers, intimate friend of one of Mr. Wiallard's assistants, Mr. Geoffrion, published with the latters help, at Paris, an emigration pamphlet the text of which was nearly word for word taken from our federal pamphlets, and always using the above mentioned name of 'Emigration Agency' which is always prohibited by the French law, gave in the same pamphlet the address of the General Commissariat as the seat of operation.

'The above act of kindness and, anyway, of difference to the wishes of the Quebec Minister, seems to have disordered Mr. Wiallard's work in this way that the propaganda thus openly made by Mr. Deslaurier's violation of the attention of the French Government already so prejudiced against it.

'After four months of operation without any other result besides that to arouse a recrudescence and accentuation of the ill humour of the authorities of the country, the Federal Government, seeing the irregularity of this situation, enjoined Mr. Fabre to ask Mr. Deslauriers to install his agency elsewhere than in the premises of the General Commissariat.

It is to be noted that then, and ever since his appointment, Mr. Wiallard had his offices at the Commissariat, 10 Rue de Rome, which, in the opinion of strangers, rendered him still more liable for the act of Mr. Deslauriers.

It does not seem either that our agent is entirely free from personal responsibility. He has protested, even in 1907 (see letter of 22 October, 1907) against sending delegates, lecturers who too often, says he, refused or neglected to conform themselves to the French laws and regulations, and the department has continued until 1911 to send every year a couple of laymen or clerical delegates; but assuming that the delegates were truly as hard to train, he does not seem to have himself always followed the line of conduct best adapted to save him from annoyances.

Unable according to the law to exercise any direct action Mr. Wiallard should have, it seems, by keeping himself in the shade so much as possible, looked for, and with still more reason accepted the assistance authorized by the French law.

Now without questioning his good intentions, nor contesting his untiring activity, the persons whom I have been able to consult, among those who take an interest in any way whatever in the matter of emigration to Canada, unanimously told me that Mr. Wiallard constantly neglected such assistance.

That opinion is especially alive in the 'Canadienne,' a society which since ten years, through the greatest sacrifices, serves the interests of Canada in France. It is also held, in various measures by the maritime circles.

All the Anglo-Canadian navigation companies have presently in Paris, agencies which are themselves represented in all the districts of France and adjoining countries and though only one keeps a line between France and Canada, all of them, to say nothing of any immediate interest, would gladly contribute to make known a country whose general prosperity shall necessarily have an influence on theirs. The

general agent of the Canadian Northern, Mr. Heyek, who makes in central Europe an intensive emigration campaign, tells me that he has in France two thousand sub-agents, out of which six hundred are diligent, that he would with pleasure send them the official publications of Canada, but that Mr. Wiallard never asked him to do so.

While I was in France, a serious difficulty arose between Mr. Wiallard and the 'Campany General Transaltantique' which was then organizing, and has since organized a direct line between Havre and Canada. The company, offering to collaborate with our agent, was asking in return the benefit of the premium granted by the Canadian law to all agents without distribution.

Mr. Wiallard declined, invocating a decision of your Department in 1908 given on a previous demand of the same company, and by which, in his mind, the premium had to be reserved to the Allan Company only, as a subsidized company. The question submitted to the Canadian Commissioner, the Hon. Mr. Roy, was referred to me. After examining the correspondence I found out that most evidently the Company General had been refused in benefit of premium in 1908, because then it had no line to Canada.

At that time the intending emigrants were handed a 'list' of some authorized steamship agencies, reading thus:—

Currie & Co., Agents of the Allan line (direct service from France to Canada), 2 Pleuvry Street, Havre, or 10 Auber Street, Paris.

Hernu, Peron & Co., 61 Haussmann Boulevard, Paris.

Pitt & Scott, 47 Cambon Street, Paris.

Now out of these three agencies, one represents only, and the two others represent mostly the Allan line.

You will find in the Department a letter of Mr. Wiallard, dated March 15, 1912, when it is said:—

> 'Personally, I have no doubt that far from complicating the transportation problem, the opening of a new line to Canada will be beneficial to all, specially to Canada. I hope that the Allan people shall keep the favour which they enjoy and which they have earned by their past work, while, on the other side the Compagnie Générale Transatlantique, by means of its numerous and strong connections, will bring forth a renewed activity between the two countries.'

It was only on my pressing advice and under the threat of the Compagnie Générale Transatlantique, to provoke from the French Government an intervention which could have been fatal to us, that Mr. Wiallard decided to write that letter, wherein for my part, I would only find fault with the exaggerated care for the Allan line interests, and which after all is but the summing up of what, strange circumstance, our agent was writing to you of his own motion on May 25, 1908.

At least, you would believe, there will remain with our agent the co-operation of the Allan Company. Nevertheless, we do not see anywhere the extraordinary services for which the company might deserve the particular services for which the company might reserve the particular anxiety felt about it. It published a year book on Canada, extracted for the most part from our official publications, and I read in the memorandum already quoted, 'The Allan Company with its line from Havre to Canada, seems to have given satisfaction to the French public, which has adopted that line to go to Canada.' But I also read in that memorandum, about the premium, 'All the work is mostly done by our agents and not by the steamship agencies. The sale of transportation tickets that they (the steamship agents) make to the emigrants is, in large proportion, supplied by Mr. Wiallard agency, and they have no more but to issue the said tickets.'

Mr. Wiallard might answer that, in the whole this extract from his memorandum directed against the premium regime reads thus: 'All the work is mostly done by our

agents and not by the steamship agencies, which have no right to, and do not, use means that they know to be reprehensible.' Which would give to understand that he and his subordinates only may incite to emigration without violating the French law.

Now, Mr. Wiallard does not only thus attribute to himself and his subordinates, powers which he has not, or which in any case he will never be able to exercise, but with the utmost reserve, but, I have already said, and I repeat it, it is the steamship agents, and they alone, who are authorized to engage emigrants.

Save the independent and unfortunately too limited action of the 'Canadienne' that of the steamship agencies which, from Mr. Wiallard's own admission, has been about null, and the direct delegation of a couple of lectures each year by the Department of the Interior after as before 1905, and until 1911 the work of the Paris agency, as far as I have been able to make it up from the diffuse and on some points manifestly incomplete memorandum and the verbal utterances of Mr. Wiallard, may be summed up as follows:—

From 1903 to 1905 under the immediate direction of Ottawa: (*a*) Lectures in the provinces, specially in Brittany and Savoy by Mr. Wiallard and by French priests delegated by the Canadian Government, these latter combining with their lectures on history and geography, sharp reflection on the French Government in order to the more strongly impressing Catholic audiences.

(*b*) Distribution of literature by the lecturers.

() Advertisements in papers. Mr. Wiallard declares that he obtained from Mr. Sifton, then Minister, and his chief officer, Mr. Smart, all what he asked them.

From 1905 to the middle of 1907, under the direction of Mr. Preston and then Mr. Walker, agents in London, work about null for want of money. Mr. Wiallard hastens to explain that during that period all the agencies were by Mr. Oliver reduced to a congruous portion. He adds:—

> 'It was so much more easy for Mr. Wiallard to obey the orders of the Department that that era of economy coincided with the efforts of the French Government, by way of circulars to all its officers in order to check the emigration agitation which was then becoming more and more evident owing to the work done by our agent.'

From the middle of 1907 to February, 1908, under the direction of Mr. Walker, and after a trip to Paris, of W. W. Cory, chief officer in the Department of the Interior, and Scott, General Superintendent of Emigration. Publication of advertisements in many papers of Paris and the province 'in order to draw the attention of the public on Canada.' 'Those advertisements,' says Mr. Wiallard, 'were so drafted as to show what class of emigrants were apt to succeed in Canada, and who were those, who, in the contrary, should abstain.' It was also in that period that Mr. Arthur Geoffrion was adjoined to Mr. Wiallard.

From February to September, 1908, under the direction of Mr. Obed Smith, successor to Mr. Walker, work almost null, on account of discussion between Mr. Wiallard and Mr. Smith.

From September, 1908 to 1910, inclusively, after the signature of the Franco-Canadian Treaty of Commerce, and under the immediate direction of Ottawa. Advertisements in newspapers, lectures on economy, geography and history, distribution of wall maps to teachers who agree to give their pupils a lecture on Canada; distribution of atlasses to pupils as reward for the best lesssons, and of Canadian illustrated postal cards to allow them to correspond with the agency. There were given about five hundred lectures by teachers in 1909-10. 'They do not cost much,' says Mr. Wiallard, 'but the impression on the classes which the Canadian Government wishes more specially to reach was everywhere evident.' The memorandum adds:—

'Mr. Wiallard had also asked from the department the authorization for Mr. Geoffrion and Montpetit, connected with the commissariat, to give about fifty familiar talks or lectures before the Chambers of Commerce as also in agriculture schools. Those lectures had a certain success but they entailed rather great expenses.'

1911.—Almost complete inaction, imposed by the diplomatic protests of the French government.

1912.—Resumption of the propaganda in school circles, in the month of March after the distribution of 4,500 atlasses each containing ten illustrated cards, to as many teachers, with the promise of wall maps to the lecturers and atlasses to the pupils. Mr. Wiallard had already obtained five hundred lectures and could count on three hundred more, from then till the holidays. Our agent adds that those lectures are given not only in the classes, but most of the time in presence of the parents, and always in the best desirable circles; that in many cases the pupils make compositions after the lecture.

A work so often interrupted, and so incoherent, cannot evidently bear the fruits which could be expected from a more persistent and better regulated campaign. That it has nevertheless carried the figure of the French emigration to Canada from 431 as it was in 1901-02 up to 2,041 in 1910-11, is the most eloquent answer to be made to those who pretend that a movement of French emigration to Canada is impossible. The figure of 2,041 is even inferior to the true figure, and many French emigrants come to Canada as first passengers, and a certain number of foreign emigrants, who come through Paris are not counted by that agency.

In order to strictly conform to law, the work of our agent, presently, would be reduced to make Canada known by the disinterested, but necessarily cautious, intermedium of the teachers these latter, could not in fact incite to emigration without subjecting themselves to serious annoyances to advertise the address of the agency in the petty adds of a couple of newspapers of Paris, without saying a word of emigration, and to answer verbally or in writing, to applicants for information. It is already something, we must specially appreciate the collaboration, precarious to say the truth as regards the state schools, as it could cease on a nod of the Minister, which Mr. Wiallard has been able to obtain in the body of teachers. Is it to say that we could not do more?

I have already pointed out how we could turn to account the authorization of the steamship agencies for the spreading of information concerning Canada. Allow me, Mr. the General Superintendent, to indicate to you some other steps to undertake or attempt.

A French gentleman, who has been one of the founders of the *Canadienne*, and who is still one of the leading minds, I should say the souls of this valiant society, and from whom I was asking what he thought our Government might and should do to increase French emigration to Canada, pointed out to me amongst others:—

First. The periodical delegation to France, of French settlers.

On this point at least, my interlocutor was agreeing with Mr. Wiallard. I notice a letter which our agent wrote you on the 22nd October, 1907:—

'Although, for reasons well known to you, you must not send any more agents like those who transiently came here, I believe it would now be most necessary to seriously consider a plan which I have long ago submitted to your department. That plan consists in the sending to France of a dozen delegates chosen one half in the province of Quebec, and the other half in the West, among the French settlers who have succeeded and to whom you would pay a second-class passage from their residing point to the place where they came from. No mission would be entrusted to them. They would go back among their old friends without any other object than to spend there two or three months, that is the

best kind of propaganda. Should they persuade some one to emigrate, we could remunerate them by so much per head on condition that the emigrants would go with them. The number of such delegates may vary according to the will of the Department, but to my mind it should be less than twelve. I repeat that, in my opinion, the Department should not grant any salary or travelling expenses of any kind to those delegates, besides the return ticket, as stated above.'

Mr. Wiallard also suggested, in 1908 (see letter of September 23, 1908, to the General Superintendent of Emigration) to send from France to Canada, at the expense of Canada, a delegation composed of about twenty expert agriculturists, directors of agronomic institutes, editors of agricultural papers, &c.

That suggestion, which remained without reply, could easily be carried out, and I believe without giving umbrage to the French authorities. For my own part, I would see but an advantage for our country, if every year an agricultural mission from France to Canada should correspond to the farmers' delegation of Canada to France.

2nd. The exhibitions.—However opportune they may be the permanent exhibitions in the large cities would benefit only the industrial and commercial expansion, and therefore your department would be right in taking no interest in them, they being dependent on your colleague, the Minister of Commerce, on the Chambers of Commerce or the manufacturers and merchants concerned. It would not be the same with single shows, of divers products, natural, agricultural and industrial, installed in the stores of small town merchants on the main street or on the square. The very low cost of such installation could be divided with the Department of Mines and that of Commerce, who might in return sell permits to Canadian merchants and manufacturers.

The motor-car exhibitions, would have a good effect.—If on fair days, in the large towns an automobile waggon should arrive and display under a tent a Canadian exhibition of all kinds of produce. If at that display one could buy cheap advertising articles; if the farming processes and results were intelligently brought up, there would still be efficacious mode of action. That kind of shows might be organized with the same co-operation as the previous one. Visitors would on demand be given sober, precise, and true information on Canada.

The commercial interests which we have in France would be surprised to justify these steps which yet, and naturally would have to be previously considered with the view of complying to the French laws and regulations, but it is useless to observe that even in the absence of any direct invitations they would also help the emigration cause.

3rd. Utilization of French co-operation. It is not to be forgotten that any Frenchman has a right to make known not only Canada, its history, its geography, its farming and colonization processes, but also, and that by writings, by speech or by direct demonstration, (shows) his own opinion as French citizen, of the benefit which his countrymen might derive from the resources of this country. Shall I add that the Frenchman knows better than we will ever do, the economical and social situation of his compatriots, their temper, the laws and regulations of the country, the intimate disposition of the rulers?

There exists in France societies of lecturers who cover the whole territory and who, for a light remuneration would willingly agree that their lecturers should treat on Canada.

On the guarantee of its disbursements *Canadienne* which for the last ten years, at its own expense has made propaganda in favour of Canada, could:—

(*a*) write out, with the collaborators which you design to it, and in the French

style (which one would think that the writers or translators of your department have always endeavoured to hurt) quite a library of popular works of Canada, which it would afterwards apply itself to spread into the schools of every grade and nature, official or free, public libraries, reading rooms, and which might also be sold at a very trfling price, in all the bookseller's shops.

(*b*) Inform the French public on every occasion by notices in the press, which would be so much easier for the *Canadienne* that the monthly Bulletin of that society is already an excellent compendium of our national life, and that in France as anywhere else the papers are ordinarily glad to gratuitously insert articles of public interest.

(*c*) Also publish letters that your agents in Canada would invite French business men and settlers to write to French newspapers—preferably emigrants from the provinces to the papers of their province.

(*d*) Still improve its Bulletin and spread it gradually through the whole of France.

In the propaganda writings, the illustrated monographies of parishes populated in whole or in part by settlers from France (or Belgium) would occupy an ample place. In fact one could not too much exaggerate the importance of a testimony based on a concluding personal experiment. I met, during my stay in France, in a small group of political and intellectual men specially assembled to talk of our country, a French publicist of great repute, who told me that he had spent several weeks in the western Canada. I was flattering myself in advance to see among us a man who could support my assertions. I was greatly surprised to find him extremely adverse to emigration to Canada. He was pleading the requirements of the French agriculture, and the depopulation of France. But as I was replying to that by the arguments of other Frenchmen, that French agriculture shall always want more hands whatever may be done, and that a larger emigration would perhaps determine a stronger proportion of births, he switched on the deplorablt, in his opinion, situation of the French settlers in Canada. He pointed out with a particular bitterness the deceptions and sufferings of the settlers from Montmartre, the individual who has founded that colony had better not appear there any more, or he would be lynched. Being unable to contradict him on the spot I was feeling my surprise replaced by deep humiliation; I could only timidly ask the name of the individual. It was a Frenchman, it appears who had been a municipal councillor at Paris. I recognized by that description one of the officials of our agency, Mr. Foursin. Some days later I accidentally met Mr. Foursin, and in a hurry asked him explanations, 'It is a curious coincidence,' said he, 'the Mayor of Montmartre has just come to Paris. Having gone to Canada with very little money, he now enjoys a nice fortune which allows him to make his annual trip to France. His compatriots are besides all comfortable, deprived of means of communication for some time, they held on all the same, nearly all, if not all, are to-day large land owners.' I imagine that a good monography of Montmartre, coupled with the testimony of interested settlers would eventually be in France on excellent antidote to the denunciation of our publicist, a true model (if I judge by our first interview) of that class of Frenchman, who, being satisfied to understand colonization as Daudet pretends that they do at Tarascon, are more preoccupied to conform to their theories than their theories to the real facts. That mode of action, inaugurated in France under Mr. Oliver by the publication of a collection of testimonies entitled: 'Truth about Canada,' will improve by its expansion and its systematizing, but also to be placed under the care, or at least the patronage of a French society. It was recommended in these words, in August, 1888, in a report of Mr. Foursin, to Father Labelle, then assistant Minister of Colonization of Quebec:—

'1st. It is possible, contrary to the general opinion to create a serious movement of farmers in France, it suffices for that, to employ the means appropriated to the character and wants of the French peasant.

'2nd. All care should be taken to favour at the outset the emigration of one or two good families in a stated locality and to devote attention to the success of these first families, who will afterwards become excellent agents of propaganda.'

Therefore, leave with the steamship agents the work which they are authorized to do, subsidize, and at need, organize annual delegations from Canada to France, and from France to Canada. Make use of the inestimable co-operation which is offered to us by the French societies of propaganda in favour of Canada, all processes which we have heretofore neglected and the adoption of which is imperative.

The realization of that programme will be possible only on two conditions.

1st. That the person entrusted with the carrying on of same, shall understand its motive, and not see in it, on the contrary, an arbitrary condemnation of his own part conduct. I think I have already shown how the present agent is mistaken about his powers on certain matters. In a firsh memorandum which he submitted to me on my arrival in Paris, before I had even asked him a single question, Mr. Wiallard defends himself as follows:—

'If we had had plenty of elbow-room could we have obtained better results? Yes, probably. But was it desirable that it should have been so? I do not believe it.

'Suppose that we had met no opposition and that instead of sending each year 2 to 3,000 French settlers to Canada, I had succeeded in sending 8 to 10,000 in the very first years, would not such a result have been dangerous for future work in France?

'What! the French colonies absorb but 3 or 4,000 emigrants from France every year, and here is an English colony which draws twice as many. Would have been claimed everywhere.

'Behold the attempt to systematically depopulate France would have been said with some appearance of right. Was it not better to continue in the same way, slowly, moderately and cautiously, and let the seed which we have sown in French land bring forth its fruits with time.

'Once more, should the Canadian Government hold on to its decision not to send any more propagandists and delegates to address the crowds in the four ends of France to invite people to emigrate to Canada, I do not hesitate in saying that more and more the movement already created will increase by the mere fact of the rational and continual impulse produced by our assertions since many years.'

'We have to content ourselves with making Canada, known by all means allowed by the law in France, lectures on geography, history, and economics in all the favourable centres, publication of articles of a general interest on Canada, distribution of atlasses and views of Canada, offer to the school museums or to teachers of Canadian photographs, samples of grains, sheaves of wheat, and if possible, of specimens of fruits, and vegetables. Never to utter the word emigration, and not let it be found in the literature offered, at least to give our official propaganda pamphlets only to the persons determined to quit the country, and who ask special information for that purpose.'

'That is where we have always practiced and suggested. If we still do the same, the French Government cannot and will not annoy us. Having been approved by my chiefs for having inaugurated and followed this line of conduct, I dare hope that, with his well-informed mind that the new minister shall be satisfied with it.'

Mr. Wiallard is then convinced that he has done nothing for his part, against the French regulations, that he has done all the law allowed him to do, that not only it is impossible to increase his means of action, but that, even if possible, it would not be opportune.

Without trying to see through Mr. Wiallard's secret mind, I have said and I repeat that, from the testimony of all those who have seen him at work he puts forth a great diligence in the exercise of his functions. It seems also evident that in sending every year to France, at first with the assent of our agent, and then in spite of him occasional lecturers who, by their direct appeals are violating the French law so much more easily that they knew it less, the Department of the Interior has not in a small degree, contributed to indispose the French Government. But I am no less compelled to think that the annoyances which Mr. Wiallard, and Canada with him, had to endure in France, came from the most part, from his obstinacy in dispensing with a co-operation which, without in reality lessening his personal action, would have allowed him to dissimulate it, more than that, to conform it to the French laws, and that the cause of that obstinacy lies in a false idea of the situation, in a defect of character or in self conceit out of place, whatever it may be,—and if this opinion is well founded, it follows that Mr. Wiallard should not hesitate to admit that he has erred on certain points, and to loyally try, if requested the carrying out of programme which I suggest to you.

2nd. That it (this programme) shall have been previously submitted and agreed to by al the interested parties, including the French Government. What will be the use in fact, of this change of direction if we do not at first take care to remove the visiting misapprehensions and grievances? Whatever policy we may adopt, it is important that our agents be not exposed to a periodical repression which, while terrifying them, would sometimes induce them, to still more unfortunate resolutions, and nearly always inspires them expedients incompatible with our national dignity.

And that question of the agreement to be made with the French Government of the guarantee to be asked that our action legitimate as it remains and lawful as it may become, can be continuously exercised, without having to fear anybody's arbitrariness,—that question, I say, draws me to speak of disagreements which exist between the agent of your department and the General Commissioner of Canada.

Before 1903, we had as representative in France, but one General Commissioner, Mr. Fabre, which depended on the whole cabinet. In that year—and I hold that information from Mr. Wiallard himself—Mr. Wiallard was appointed assistant Commissioner with mission to specially attend to emigration. Still later on, Mr. Poindron was appointed Commercial Agent, by the Department of Commerce, which gave us the representatives in France. Mr. Fabre died two years ago, and after a few months interim fulfilled by Mr. Wiallard, the Laurier Government appointed the Hon. Philiip Roy as commissioner, with, I believe, better defined, if not, as I also believe more extended powers. On its occasion to power, of the present Government, last fall, Mr. Poindron, was dismissed, the commercial agency mingled with the Commissariat, and the Commissioner placed under the authority of the Minister of Commerce.

We then presently have in France, as in the past a sub-commissioner general who attends to emigration only, and not to Canadian affairs at large, but it moreover happens that the general Commissioner, himself, reduced to the rank of ordinary commercial agent, is not a general Commissioner, consequently has no authority, even in theory, over the sub-commissioner. When this anomaly that, when one complains to him of the sub-commissioner's acts, the personage responsible before the French authority for all the doings of the Canadian Government in France, has, to defend himself, to allege the independence of his subordinate. It is necessary to observe that such an excuse must inevetably look like a subterfuge in the logic eye of the Frenchman, that far from improving the situation it is rather of a nature to make it forse.

On my arrival in France that question of the relations of the Commissioner with the sub-commissioner rather the emigration agent, or else the attendant to information on emigration had reached its acute phase with regard to the respective offices of two services. After inquiry, I wrote to you on March 5:—

'Since some time, according to instructions from the Department of the Interior, I am studying on the spot the question of emigration from France and Belgium to Canada. As I intend to return to Canada about April 1, I shall wait until then to make a detailed report, the importance and the delicacy of the subject not allowing me to do it sooner. In the meantime, however, you will permit me to draw your attention on the dispute which broke out here in reference to the location of your agency and which really, concerns the whole policy of Canada in France.

In December last, Mr. Wiallard was instructed by your department to install himself at the Commissariat, 17-19 *Boulevard des Capucines*. If I am not mistaken, Mr. Roy objected to that installation, firstly because, owing to the policy of Mr. Wiallard, he did not believe he could assume before the French Government the responsibility of the Frenchman's doings. Secondly because, the space available at the Commissariat was far from sufficient to lodge Mr. Wiallard and his personel. Thirdly because, in Mr. Roy's opinion, it would not be either wise or practicable to throw wide open to intending emigrants, offices fitted up for other purposes and, besides situated on the third floor.

Mr. Wiallard does not deny that there exists a dispute between himself and Mr. Roy, and contradictions between himself and the French Government, only he maintains to be right against the one and the other. He does not pretend either that he could find at the Commissariat the required space, in fact I am sure he would much prefer to have distinct offices.

Now the lease for the emigration office at No. 3 Isly street, expires on April 1, and if, by that time your instructions have not been modified, Mr. Wiallard shall have to obey them, to the great damage of Canada, I fear, as any sojourn, even temporary of Mr. Wiallard at 17-19 *Boulevard des Capucines* could but envenom matters.

Without intending for the present to say who is right and who is wrong in the case, and if you should eventually give up locating Mr. Wiallard with Mr. Roy, I would strongly recommend to you to instruct Mr. Wiallard to obtain an extension of his lease for three, and even if possible far six months. You would thus have time to receive my report and consider its conclusions.'

Mr. Wiallard, authorized according to my recommendation, caused his lease to be extended until November 1. I do not know what arrangements he has made since, but I know that, no matter what decision you may take about the office, it will not restore harmony between your agency and the Commissariat.

Should this be comprised in my functions, I would humbly advise that the representation which would be more convenient for Canada in a country like France, where we can make a considerable trade and where we are trying to create an emigration movement towards our country, is the one which we had before the abolition of the commercial agency, but under the direction or at least the control of the Commissioner, who would, of course, be the only one responsible to the Canadian Government. I would believe I am going out of the limits of my commission in saying that the joining the two services (Commerce and Emigration) under the same head seems to me to be essential, in the first place, in order to put an end to a conflict which cannot but be detrimental to us before the French Government, and as an immediate consequence, to give the benefit of our commercial propaganda to the cause of emigration which in France is by itself deprved of all the means of action allowed to it in England and even in Belgium. An active and intelligent publicity in favour of Can-

ada shall presently, nowhere give better results than in France, but nowhere also is it more important that our publicity by avoiding the wild, declamatory and false style of the American advertising, should present Canada under all its aspects, under all its true aspects, at the same time, that work shall only be done by one central office recognized by the French authorities and actively co-operating with all the elements of the French nation favourably disposed towards Canada. That is not, I know it, Mr. Wiallard's opinion, I so much more regret to differ from him, that he seems to have been personally the more consequence in the fulfilment of his duties, but it is impossible not to adopt the above opinion after having consulted on the spot all those who take an interest in the Franco-Canadian relations. It does not belong to me to indicate to you, how you could, in the present circumstances, arrive at that agreement with the Department of Commerce. It is enough for me to observe that the publicity office of the two services could be installed at the commissariat, and in another place, perferably a ground floor in a great thoroughfare, a museum and an information bureau which could be of use both to commerce and emigration.

Allow me to observe also that it would in advance nullify the result of my recommendations if you were to avail yourself of them to reduce the staff or the budget presently appropriated to the emigration propaganda.

The budget of your Paris agency since its creation is apparently as follows:—

	Francs.
1903 to March, 1904 (three months only)	4,560 80
1904-1905	20,784 10
1905-1906	12,661 90
1906-1907	13,206 50
1907-1908	20,752 70
1908-1909	41,344 95
1909-1910	58,741 50
1910-1911	61,033 55
1911-1912	65,275 00
	298,361 00

If, however, we recollect that the above budget comprises since 1908-1909 inclusively the salaries of the personnel, which were till then paid by the London offices, and since 1910-1911 the rent of the agency, previously under the charge of the commissariat, it will be noticed that it has not so much increased since 1904-1905. The personnel alone has last year received about thirty-five thousand francs, which leaves only thirty thousand francs on the 65,000 without mentioning the rent. Their budget may suffice for the actual work (in fact, and this admission is worth noticing, Mr. Wiallard admits that excepting the period of economy, 1905-1907, the Department has in general granted him what he has asked), it would not be sufficient for the work which the publicity office of the commissariat and the service of exhibitions and information depending on it, would soon be called to accomplish on your account. It goes by itself that if the number of propaganda means authorized in France is much less than those employed in England, we will only be able to obtain results by using for the authorized processes the money that we are compelled to save on the others. There would be, for instance, no good reason for not establishing in some other towns, and even in certain provincial towns, museums and information bureaux like those at Paris. It is also to be noticed that for the last three years the publicity budget has been from one thousand to twelve hundred francs only per year, that the indirect and veiled publicity, of the kind which I believe we should adopt, would be far more profitable, but also probably more costly. The object of the concentration which I

recommend would be, not to reduce expenses, but at first to derive a better result from the present budget, and the nto allow the Canadian Government, and specially your department to expand an action, which, in the present situation, tends to the contrary, to its own destruction.

Eventually, the action thus organized of the Paris agency might be extended to Switzerland, Northern Italy, the Basque provinces of Spain.

Honest, well educated, thoroughly knowing the French life, the chief clerks of the agency, Mr. Foursin, and Belanger, the former a Frenchman having spent many years in Canada, and having constituted himself at his own expense, one of the first apostles of Canada, in Europe, the latter a Canadian having lived many years in France, can both, I believe, render valuable services. It is to be regretted that they are not given, they are not asked, or if they are asked, that they are not required to exert more initiative. Mr. Foursin, appointed seven years ago at $900, has had no increase. The lower staff is cheaply paid.

The French districts where it seems that the work shall be the more profitable are Brittany, Savoy, the Basque provinces, the North, the Aveyron and Charentes. The influence of the farmer delegates, specially, will have there a more favourable opportunity than anywhere else. I shall, after Mr. Wiallard mentions the case of three Bretons from the vicinity of Pontivy, who, settled in Manitoba in 1904, have since gone at their own expense, to fetch among their relations, friends, and acquaintances of Brittany something like five hundred settlers. Now disseminated in Saint Claude, Haywood, Notre Dame-de-Lourdes, etc., also the foundation of Notre-Dame-de-Sovoie in 1904 by the Abbie Ferroux and twenty-five other Savoyards, which were afterwards joined by a greater number of their fellow countrymen.

If it has not been already done, it would be expedient to give satisfaction without delay the Compagnie Générale Transatlantique in reference to the premium. That company, composed of French people, and naturally more in favour before the government authorities of the ocuntry, is more than any other in a position to be useful to us in France, whatever may be the laws and regulations. Unless to add that it can also do us an incalculable harm in the official French circles, if we wish to give, at its expense, an advantage to the subsidized Canadian line, I say purposely, *at its expense*. In fact, to refuse the premium to the Compagnie Générale would be virtually to confer on the Allan Company an official character, a privileged situation, and thus draw towards it a movement created at a large cost by its not subsidized rival, so that, in many cases, the latter, would lose not only the premium but also the fare.

It has been already seen, incidentally, that the present agent is in favour of the abolishment of the propaganda premium or *bonus*. The reasons which he gives for it are rather contradictory, now in fact he states that the steamship agents, entirely relying on the work of the Canadian Government agents, do absolutely nothing to earn the premium, and farther on that the payment of such premium, in inciting to infractions, is one of the principal grievences of the French Government. The Combes circular (1905) would seem to corroborate this last assertion. All the rest on the contrary leads to believe in the almost absolute inaction of the steamship agents. It does not appear that, for the present the experiment of premiums which has been made in France may lead to conclude either to its maintenance or its abolishment. We could perhaps satisfy all exigencies and silence all criticism in paying the premium only to steamship agents who would have given proof of exertions, but the laws and regulations of the country,—two conditions which are imposed to the English agents, but which have not been up to now either one or the other, imposed to the French agents. One of the grievances of the French Government (we find it expressed in one of its circulars) is the necessity wherein it often finds itself to bring back people who have been deceived by the emigration agents. The most frequent abuse, on the part of the steamship agents, consists in sending the emigrant to the farthest point possible in the interior of Canada, in order to get the highest possible premium, no matter what may

become of the poor unfortunate man. Another abuse consists in speculating on the exchange of money, the steamship agents seldom taking less than 5f. 25 for one dollar, while the Parisian branch of the National Bank is satisfied with 5f. 18. The protestations which our agent repeatedly uttered, and which have already had the result of obtaining for the emigrant intended for the west the permission of a ten days' stop in the Province of Quebec, would have still more weight if they could be sanctioned by the suppression of the premium. I shall add that if, in France as elsewhere, the attraction of the premium may sometimes induce an agent to transgress the law of the country, the French agent on the other hand, is less than others tempted to send to Canada the scums of the French society, each French emigrant being supposed to carry with him his judiciary status.

Our agent reports that he often has demands of Canadian produce for school museums, he should be in a position to promptly and favourably comply with such demands.

Besides the above special recommendations, relative either to France or to Belgium, you will allow me, sir, to make you some others which may apply to both countries.

I hear from the agents at Paris and Antwerp, that the persons who directly apply to your department, in the French, Flemish or Dutch language, for information on Canada, usually receive their answer in English. It is useless to observe how little this process is apt to inform and draw foreigners, specially the Frenchman who had imagined that the French was one of the official languages of our country. In order to answer to every body in his own language, at least those of whom, as the Belgian and the French, we specially solicit to emigrate to Canada, it would be sufficient to have a couple of good linguists like Mr. Treau de Coeli in your department.

The Department of Commerce, in drafting its contracts with the navigation companies, should consult with the Department of the Interior with a view to the improvement of the conditions of transportation of the emigrants. Before this year, the Allan Company, which however has received from the Canadian Government, something like $130,000 per year, and whose subsidy has since been, it appears, carried to $200,000 a year, had no French cooks, and to tell the truth no interpreters on its ships, and for a twelve or fifteen days voyage, was charging the same price as other companies for a seven or eight days trip. A still more serious matter, the first sailing from Havre was delayed until the middle or the end of May, and the farm labourers recruited during the winter in view of the opening of the works, getting tired of waiting, were renewing their engagements in France. This year the *Sardinian* and the *Pomeranian* have been replaced by the *Ionian* and the *Scotian,* larger and more rapid. It appears that they have engaged French cooks on these new boats, and that the first sailing has taken place on April 27, but these improvements, besides incomplete of a rival service by the Compagnie Générale Transatlantique. I cannot for my part understand why Canada expects the protection of its interests only from competition, when it has the right and is in a position to dictate its conditions.

There should be official and authorized interpreters, not only on subsidized steamers, but in all the landing ports and on all the railways where French is not usually spoken. One cannot realize the annoyance of every kind caused to the emigrants of French language by the insufficiency or even the total want of this service, in a country where they were told that they could everywhere be understood in their own language. I shall give only one example, Edouard Claude, his wife and nine children, and Eleonore LeRoy, with four children, from Orgeo, in the province of Luxemburg (in Belgium) having started for Halifax on the *Canada,* of the Dominion Line, on May 1, 1910, had so much to suffer from the totally strange customs of the ship that they landed with their eyes all reddened for having wept. They wanted to explain themselves, but there again nobody could understand French and they were sent back to Antwerp as affected with Trachoma. The Belgian Government and the deported

families protested, the truth was found out, and the Canadian Government had to pay an indemnity. One of the deported was a farmer possessing fifteen to twenty thousand francs in ready money. A single incident of that kind may cause an incalculable injury to Canada. There is already at Winnipeg, I am told, one French and one Dutch interpreter, the latter being able to serve the Flemish. If the French or Belgian emigration increases ever so little an Anglo-Franco-Flemish interpreter will probably be wanted at Halifax.

The most part of our agents abroad have brought their families with them, besides that, having lost contact with Canada, they would have to begin a new life, they would not come back to this country without great expense. It is then important that they be not displaced except for the exigencies of the service and that they be not dismissed but for incompetency or dishonesty. As their salary is not high, and the work which is expected from them is hardly possible in their old age, it would equally be expedient, after a certain age, if not to pay them a pension, to employ them at Ottawa as writers or otherwise, in the offices from which the outside agencies depend.

The Department should, in future appointments, requirie from the titulary not only a perfect knowledge of the society but also a good general education. All over Europe intelligent training is regarded as essential for the exercise of certain public charges, specially of those offering a certain diplomatic character.

The drawing up of official literature being, in a publicity campaign, an element of the very first importance, one can not too much deplore the common incompetency of the French writers or translators of the Department of the Interior.

I do not hesitate to say that the style of most of the official literary production of the Canadian Government intended for countries of French language are far from doing honour to Canada. There are some which Mr. Wiallard had to conceal in the cellars of the Paris agencies in order not to let them be seen by the French people, even if he had himself to translate the English original, at the cost of heavy work. Our agents have something else to do, however, and most of the time they are after all bound to use the material at their disposal. The wall map which we distribute in the schools of France is drawn up partly in French, partly in English, and partly in I do not know what. In France, where ridicule kills, a country like ours should take care not to couple its name with grotesque publications of which Patagonia or Nigeria would be ashamed. If Canada can not do better by itself, it has only to take as a model the tidy publications of the Argentina or of many other countries, which without pretending to be New France's, have all the same found out the means to address French people in French. I remember having seen a pamphlet issued by Western Australia for the Universal Exposition of 1900, which would make the publicists of your department one of shame, if they were not past all shame.

At the present moment most of the publications sent to the countries of French language are literal translations of works expressly written for English countries. That imprints in them, not to speak of the mere blunders of translation, a general exotic character which offends and disposes the French reader. Just as good translators are not produced suddenly, it is not the first comer who can address all the different peoples according to their own tastes, their traditions and even their prejudices—for that it requires more judgment than some of your subordinates seem to possess. For instance, in the *L'Ouest Canadian* a translation of the pamphlet entitled *Western Canada,* which is most extensively distributed by your agents, a reference is successively made to the testimony of A. Baumak, formerly of Indiana; Philip N. Taft, Ira Sutton, formerly of Iowa, and of dozens of others, but not of a single Belgian or French settler. Is it not evident that if it was not rather intended to frighten the French and Belgian settlers with the prospect of lonliness (which certainly is not the end in view), it would have been wise to quote the testimony of French and Belgian

settlers? And what I say here about these two nations equally applies to the other European peoples. Some chapters of the pamphlet could remain; some others should be modified according to the countries.

One word also about distribution, some people seem to believe that the more you give them reading matter on your country the more information you give to the foreigner, no matter how heavy, confuse and most of the time, contradictory. If it be so in some countries, it is not the same in the countries of French language, where the clearness of a work is more appreciated, than its volume, and when they do not feel that it should be necessary to read a whole library to learn what could be contained in two or three hundred pages. At the time of my visit to Antwerp, for instance, I was painfully affected to see the quantity and nature of official literature intended for the Belgian and Dutch public. I quote:—

Dominion of Canada (in English only), a volume of 222 pages, balance from the Liege Exhibition (1905).

Canada in a Nutshell (a Dutch work with an English title; small pamphlet of 40 pages) 1911.

Vast fields open to Colonization and Industry, the Temiscamingue, *Province of Quebec*, pamphlet of 72 pages, issued many years ago by the Department of Colonization of the Quebec Government.

Canada de le Siecle Noveau (title literally translated from *Canada and the New Century*), 48 pages, 1906.

Canada—Practical advice to Settlers, 36 pages, 1911.

The Canada, 49 pages, 1911.

Canada, album of views of the show made at Crystal Palace, in London, on the occasion of the Coronation of 1911: explanations in English.

Annual Report of the general Colonization and Repatriation Society of the Province of Quebec for 1910, 59 pages.

Atlas of Canada (in French) and *Atlas van Canada* (in Flemish), 64 pages each, 1910.

L'Ouest Canadian, ce qui reste de mieux dans l'ouest, an unconsciously ludicrous translation of the English title, *Western Canada, the Last Best West*, 42 pages, 1911.

Le Canada Occidental and *West Canada*, the monthly paper previously mentioned.

Of the above various publications, those of the Government of Quebec, I regret to say, are inferior to all as regards the style and accuracy. Among the others, some are excellent, some are useless, and therefore detrimental, for they only serve to upset the foreigner who reads them; some others at least clearly pernicious.

Your department should, it seems to me, stick, on such matters to the following rules:—

1st. Have its works written by persons well accustomed to translation and drawing up, and moreover well informed about the countries concerned.

2nd. Not to publish anything which has not been revised, as to the form and matter, by the interested agents.

3rd. Not to distribute anything for the provincial Governments which does not, if not perfectly, at least well enough come into the outline of the outline of the federal publications—specially nothing contradictory to them.

4th. Insist more on the ethnic and religious character and the economic situation of the different provinces, so as to allow the emigrants to guide themselves more knowingly.

5th. Besides monographics of farming regions and other works of the same kind, which, however, should never have a useless repetition, stick to a limited number of publications which ought to be revised and corrected each year, an essential condition for a growing country so rapidly as Canada. Those publications would be:—

(*a*) After the model of the present atlas, a work of one hundred pages at the utmost about Canada, with a general map of the country and one of each province or territory.

(*b*) Under the same size, a pamphlet or thin book of not more than 50 pages, for each of the old provinces and of 50 to 75 pages for the two provinces of Alberta and Saskatchewan.

(*c*) A pocket guide for the use of the Belgian or French settler, and even for the Italian, Swiss or Spanish emigrant, as the case may be.

As an example of conciseness, exactness and propriety, I shall mention the publications of the emigration office of the English government.

The co-operation of the Federal Government with the provincial authorities, specially those of Quebec, in France and Belgium is a matter which has been frequently discussed in Canada. Such a policy could evidently be adopted by the mutual consent of both powers. The Antwerp agent declares that he has many a time offered to the Quebec Government to distribute its literature, but that it did not even, to say the truth, take the trouble to answer him. The only answer that the same Government has ever made to identical advances of Mr. Wiallard was the sending of Mr. Deslauriers as emigration and placing agent, with the result which we know of. It seems true that the provincial authorities of Quebec not making any emigration propaganda in the other countries of Europe, do not see the necessity of doing any more in the countries of the French language. The pretended attempts that they have made in that way, have nevertheless, in the absence of any exact information and of any placing system, given so pitiful results that it is very doubtful whether we must, in the present circumstances, deplore their inaction. It has been contended (this is specially Mr. Wiallard's opinion) that the immediate direction of your agency by the Commissioner, To my mind, we should rather see in that fact a guarantee of security for the Federal government, that functionary receiving also a salary from the province of Quebec. To my mind, we should rather see in that fact a guarantee of security for the federal Government, for should the province ever decide to energetic measures,—which unfortunately, or not, is not for the present to be foreseen,—those measures, subjected to the same direction and control, will necessarily have to harmonize with yours and conform also with the French law.

THE PROVINCE OF QUEBEC.

Since it is specially concerned in this matter,—would further directly profit by the work of the federal Government if the latter would more practice, in the French centres, the system established in Ontario and the English districts of Quebec for the placing of emigrants.

The appointment of French Canadian placing agents would have as a first result to facilitate to the emigrants from France and Belgium their installation in Canada. To see that the emigrant be properly treated on the steamers and may be understood in his own language on his arrival, that is necessary, but not sufficient; it is also necessary that he should from the start, be directed to the place the most favourable for the use of his resources and the display of his energies. For many immigrants the transition from the old civilization of Europe to life in Central Canada is too severe; the customs, the language are different, and even more perhaps the economic conditions—a triple difference by which a Belgian or a Frenchman who considered himself well off

in his own country shall in a few months dissipate his savings and shall be reduced to poverty, if he does not happen to have on the spot relations or friends to advise and assist him.

An emigrant of French language who shall on landing at Quebec or Montreal find a remunerative employment (wages of farm servants in Quebec are now ten to fifteen hundred francs per year, including board, lodging and washing and most of the time clothing) not only will not lose his savings, but will at the end of the year have increased them, familiarized himself with the country, have probably, here and there, picked up a few English words, in short, shall be more apt to settle definitely, whether in Quebec or in the West. More content with his lot, he shall be, with his compatrio. of the old country, a better propagandist and the complaints about the optimism of our prospectusses shall become less numerous.

But a not smaller result will be to enrich a province which the want of help labour greatly contributes so to keep in an economic inferiority.

It is reckoned that there is presently from thirty to fifty thousand European domestic servants in Ontario, while in Quebec, where I repeat, the wants are the same, a few hundred could hardly be found, and nearly all English, the measure which I suggest would make matters even.

The most part of the French and Belgium emigrants who have taken service with French Canadian farmers would afterwards start for the west. Some others, specially those owning more money would purchase farms in Eastern Canada, where they would become careless and acting by routine people so many professors of domestic ingenuity and intensive farming.

There exists in every parish an agricultural circle, and in every country an agricultural society which would only be too happy I suppose, to make use of the good services of your placing agents.

The competent persons with whom I had the advantage of consulting, agree with me that, with a good placing system Canada could procure every year, in Belgium alone, thousands of farm servants who would mostly be able, after a very short, time, to acquire a farm of their own. The Canadian Pacific Railway authorities in London, who manage that company's navigation service between Antwerp and Canada, and whom I have questioned about it, are ready, for their part to give you all the necessary co-operation. It would perhaps be more difficult to directly make our wants known in France, but the moment that the Frenchman emigrating to Canada would, by the wisdom of our Government, be protected against disappointments, annoyances of every sort, which result from differences of customs, language, economic way of living, it would not take long to be known in France as elsewhere.

A placing system would not be complete without creating reception houses at Quebec and Montreal.

Such is, Mr. General Superintendent, the result of my observations. I shall complete my report by saying that, in my opinion, if the Government does not intend to soon establish in Belgium a general agency or Commissariat to which would naturally belong the direction or at least the control of the emigration propaganda in that country, and if the representation of Canada in France is reorganized as suggested by me, it would perhaps be expedient to eventually connect your agency or agencies with the Paris Commissariat. The relative community of language and the easy means of communication (trains go from Paris to Brussels in three hours) would allow to the Paris Commissioner a more effective direction or control than could ever be exercised from London.

Wishing that my work should be of some help to you in the conscientious fulfilment of your duty, I tender you the homage of my heighest regard, and I subscribe myself.

Your devoted servant,

(Sgd.) OLIVAR ASSELIN.

RETURN

(117)

To an Address of the House of Commons, dated December 5, 1912, for a Return showing the number of appeals made to the Governor in Council during the twelve months preceding November 25, 1912, against orders of the Board of Railway Commissioners, the particulars of each appeal, and the decision rendered by the Governor in Council in each case.

LOUIS CODERRE,
Secretary of State.

Return No. 12, 1912-1913. File 15973-2 R.

DEPARTMENT OF RAILWAYS AND CANALS.

Return, so far as the Department of Railways and Canals is concerned, in answer to an Order of the House of Commons dated the 5th December, 1912, calling for a statement showing the number of appeals made to the Governor in Council during the twelve months preceding November 25, 1912, against orders of the Board of Railway Commissioners, the particulars of each appeal, and the decision rendered by the Governor in Council in each case.

Copy File No. 15973-1

Board of Railway Commissioners for Canada,
December 2, 1912.

Dear Sir,—Referring to No. 5 of Votes and Proceedings of the House of Commons for Thursday the 28th November, and to Mr. Graham's inquiry on the foot of page 77 thereof, as follows:—

'Mr. Graham.—On Monday next—Address.—For a return showing the number of appeals made to the Governor in Council during the twelve months preceding November 25, 1912, against Orders of the Board of Railway Commissioners, the particulars of each appeal, and the decision rendered by the Governor in Council in each.'

I enclose you herewith in duplicate answer thereto.

Yours truly,

A. D. CARTWRIGHT,
Secretary B.R.C.

L. K. Jones, Esq.,
Assistant Deputy Minister and Secretary,
Department of Railways and Canals,
Ottawa.

3 GEORGE V., A. 1913

Copy File No. 15973-1.

BOARD OF RAILWAY COMMISSIONERS FOR CANADA,
December 2, 1912.

DEAR SIR,—Referring to No. 5 of Votes and Proceedings of the House of Commons for Thursday the 28th November, and to Mr. Graham's inquiry on the foot of page 77 thereof, as follows:—

'Mr. Graham—On Monday next—Address.—For a return showing the number of appeals made to the Governor in Council during the twelve months preceding November 25, 1912, against Orders of the Board of Railway Commissioners, the particulars of each appeal, and the decision rendered by the Governor in Council in each.'

I enclose you herewith in duplicate answer thereto.

Yours truly,

A. D. CARTWRIGHT,
Secretary B.R.C.

L. K. JONES, Esq.,
Assistant Deputy Minister and Secretary,
Department of Railways and Canals,
Ottawa.

LIST OF APPEALS TO GOVERNOR IN COUNCIL FOR A PERIOD OF TWELVE MONTHS ENDING NOVEMBER 25, 1912.

File No.	Subject.
No. 1.—12912	Park Avenue Subway, Town of St. Louis, Montreal and Canadian Pacific Railway.
" 2.—3452.30	Application of J. Y. Rochester, *re* Cameron Bay and Grand Trunk Pacific Railway.
" 3.—12992	Canadian Pacific Railway, Maniwaki Branch, Gatineau train service, Central Station, Ottawa.
" 4.—17040	Lambton to Weston, spur, Canadian Pacific Railway.
" 5.—17716	Canadian Pacific Railway, spur (Longue Pointe) through Town of Maisonneuve, Que.
" 6.—18787 / 18849	Hazelton Townsite, Grand Trunk Pacific Railway.

Address, House of Commons.

Reference No. 71; date, 5-6 December, 1912; Mover, Mr. Graham.

SUBJECT.

Statement showing number of appeals made to the Governor in Council during the twelve months preceding November 25, 1912, against Orders of the Board of Railway Commissioners, &c.

Answer.—See annexed Schedule

SESSIONAL PAPER No. 117

APPEALS AGAINST ORDERS OF THE BOARD OF RAILWAY COMMISSIONERS DURING TWELVE MONTHS PRECEDING NOVEMBER 25, 1912.

—	—
P.C. 1454	Appeal Grand Trunk Pacific Railway, Cameron Bay water lots. Appeal refused by Order in Council 25th November, 1912.
P.C. 343	Central Station, Ottawa; appeal re entry C.P.R. Order in Council 17th February, 1912, referred case back to Railway Commission.
P.C. 2698	Appeal City of Montreal *re* cost of Park Avenue Subway. Appeal heard 16th November, 1912. Decision not yet rendered.
P.C. 2724	Appeal Canadian Pacific Railway, Lambton and Western Branch. Appeal heard 15th November, 1912. Decision not yet rendered.
P.C. 1266	Appeal Grand Trunk Pacific Railway, Hazelton Station. Referred back to Board of Railway Commissioners by Order in Council of 10th May, 1912.

RETURN

(124)

To an Address of the House of Commons, dated the 10th February, 1913, for a copy of the memorial presented to the Government during the session of 1911-12 by a delegation from the Government of Prince Edward Island, asking for an increased provincial subsidy, a copy of which memorial was laid on the table of the House by the Finance Minister last session of Parliament but is not now apparently on the files of the House.

LOUIS CODERRE,
Secretary of State.

To His Royal Highness the Duke of Connaught and Strathearn, Governor General of Canada in Council:

We, the undersigned delegates, appointed by the Government of Prince Edward Island to present to Your Royal Highness in Council the claims of that province against the Government of Canada, respectfully submit:—

That Prince Edward Island entered confederation on the first day of July A.D. 1873.

That it was the intention of the founders of Confederation to provide for each province, from the federal revenues, a sum sufficient to enable each province to manage its local affairs without resort to direct taxation. The services assumed by the Dominion together with the subsidies were intended as an equivalent to each province for its surrendered customs and excise duties.

The negotiations preliminary to Confederation disclose this intention. Hon. George Brown, speaking in the Legislature of Canada, in 1865, stated the attitude of the Lower Provinces on this question thus:—

'The objections (*i.e.*, to direct taxation) moreover were not confined to Lower Canada. All the Lower Provinces stood in exactly the same position. They have not a municipal system such as we have discharging many of the functions of the government, but their general government performs all the duties which in Upper Canada devolve upon our municipal councils as well as upon Parliament. If then the Lower Provinces had been asked to maintain their customs duties for federal purposes, and to impose on themselves by the same act direct taxation for all their local purposes, the chances of carrying the scheme of union would have been greatly lessened.'

Hon. John H. Gray, the historian of Confederation, himself a delegate to the several preliminary conferences (p. 55 et seq.): 'In several provinces municipalities were not established, direct taxation was unknown. It was absurd therefore to suppose that the delegates from these provinces would consent to any propositions for union that did not make adequate provisions for meeting the exising wants and contributions to which their people had been accustomed. It was equally hard to make the representatives of the people of Upper Canada understand that that was right.

In vain was argument used. It amounted to nothing. Unless some compromise could be effected, the discussion about union might as well cease. Subsidies were proposed. The expenses of each local government were in calculation. The general government assumed the burden of every expenditure that could possibly be considered of a general character; but still, as the distribution was to be by population, the province of Upper Canada would receive what it did not want, while the others would not get what they did want. Agreement seemed hopeless, and on or about the tenth morning after the convention met, the conviction was general that it must break up without coming to any conclusion. The terms of mutual concession and demand had been drawn to their extremist tension, and silence was all around.'

The deadlock was broken by the compromise that the per capita subsidy to Ontario and Quebec should be based upon the population as shown in the census of 1861, for all time, whilst the other provinces should be paid upon their actual population up to the limit of 400,000. It is instructive to note the understanding which Prince Edward Island had of the confederation proposals. The resolution of the Island Legislature passed May 2, 1873, hereto annexed marked 'A' declares this in explicit terms.

Sir Louis H. Davies, then a member of the Provincial Legislature, estimated that under Confederation, the annual revenue of the province would amount to $222,320.02, with an expenditure of $205,216.71, giving a surplus of $17,103.31.

Hon. David Laird and Hon. J. C. Pope were somewhat less sanguine, but the debates of 1873 on the Confederation proposals show that the whole question on the financial terms was whether or not the subsidies would be sufficient to maintain the local government services without having resort to direct taxation, and when the terms were finally settled it was upon the understanding that the subsidies would be adequate to that end.

What was the financial position of Prince Edward Island on the 30th June, 1873?

The debt of the island, exclusive of the railway debt, was more than offset by the balance due on lands purchased by the Government from the proprietors, cash loaned to tenants, and other assets, all of which were subsequently converted into cash and used as ordinary revenue.

In 1873 this island as a separate colony was one hundred years old. Its population had doubled in the last thirty years with an increasing ratio. Its revenues were doubling every 12 years. It had constructed suitable public buildings, wharves, roads, breakwaters, lighthouses, and other public works, equipped a stock and experimental farm, and was building up manufacturing industries of many kinds.

In relation to its size, there was no more progressive community in British North America.

All this had been done under a customs and excise tax not exceeding $3.10 per capita.

By the Confederation agreement, the island surrendered to Canada the control of its customs and excise, and immediately became liable to a taxation of $5.05, an increase of $1.95 per capita, or a total increase of $190,000 per annum—sufficient to have enabled it to finance the railway and to carry on the other services efficiently.

Thus, at the outset, Canada exercised its taxing power over this island to the amount of $5.05 multiplied by 97,000, equalling $489,850. In return Canada assumed the performance of services which were then costing this island $143,000 per annum, and to pay subsidies amounting, when adjusted, to $191,052, the two items totalling $334,052.

The financial balance was thus against this province from the first, to the amount of at least $150,000 per annum.

The following financial statement shows in a general way—

How the Province fared in Confederation.

1. Assets of the province in 1873, since realized upon	$515,036
2. Money borrowed for purchase of lands which were since realized upon, and used as ordinary revenue.—See Page XIII. of Public Accounts, 1911	782,403
3. Capital withdrawn from credit of province at Ottawa, and used as ordinary revenue	200,000
4. *Debt and liabilities* of province 2nd December, 1911 (as per audit of Messrs, Rossborough and Dench) less overdue taxes uncollected	1,008,242
	$2,505,680

In the same period there has been collected in land income and other direct taxes, the sum of $1,190,224. A small part of this money was used in the construction of an insane asylum, an infirmary and other necessary public buildings, but no revenue-producing asset of the province has resulted from its expenditure. Except as above stated it has been used as ordinary revenue.

The situation in the province in relation to revenue from Canada and total expenditure is as follows:—

Subsidies for 1911		$272,181
" at confederation		191,052
Increase		$81,129
Expenditure for 1911	$416,631	
Expenditure for 1873	237,686	
Increase		178,945
		$97,816

The gulf between revenue and expenditure is, therefore, $97.816 wider than it was at the time of Confederation.

Cost of Government not Excessive.

The average cost of legislation at the time of Confederation was $16,000 per annum approximately. Since 1893 the average cost has been less than $9,000. The sessional indemnity of members is $200. The number of heads of departments has been reduced from four to three, and the salaries reduced from $1,600 to $1,200 each. Generally speaking, the salaries paid clerks and other minor officials do not exceed one-half of those paid by the Dominion for similar services. Further reduction is impracticable.

Your memorialists contend that the present unfortunate financial condition of this province is due to two principal causes: (*a*) The failure of Canada to provide continuous communication with the mainland; (*b*) The insufficiency of the subsidies to meet the purposes intended.

It must be borne in mind that in surrendering to Canada the tariff-making power this island placed in the hands of Canada the direction and control of its commercial and industrial development—diverted to Canadian channels the independent lines of trade which this island had established, and thereby made its future welfare depend so much the more upon continuous communication with the mainland of Canada.

What this island has lost by the non-fulfilment of the terms of union cannot be exactly computed. Over twenty years ago a claim was made for financial damages amounting to $5,000,000 which was agreed by both parties in the Legislature not to be excessive. Under the pressure of immediate need, this claim was the added wrongs of the intervening years was sold out in 1901, by the local government, for a paltry subsidy of $30,000, which certainly did not measure one-fifth part of the actual financial loss, while for the arrested development of the province, in which 'Time lost is forever lost,' and for the consequent loss of population no compensation was given. This may be described as:—

Claim No. 1.—Damage for non-fulfilment of the terms of union in respect to 'Continuous Communication.'

This claim was settled up to the year 1901 by the grant of a subsidy of $30,000 per annum, and the present claim is from the year 1901 to the present date. During this period the province has suffered grievously. For example, in the year 1902-3, there were 45 days on which no trips were made and thirty-three days on which half trips only were made by the winter boats. In 1904-5, there were fifty-four days on which no trips were made, and nineteen days with half trips only. For twenty-one days no mails were received from any quarter. In 1906-7 there were thirty-five days with no trips and twelve days with half trips. The annexed schedule A shows in detail the record of each year.

Great as is the loss from such interruptions of communication, it is small compared with that caused by the uncertainty that continually hangs over the winter service. The possibility of failure is always staring us in the face, and paralyzing the energies of our people. Shippers from this island of perishable produce, such as fish and meats, were ruined by these disastrous years, and the general losses were very great in the aggregate.

This province would not have entertained a proposal to surrender its fiscal independence and to change the currents of its trade, were it not for the undertaking of Canada to provide continuous communication with the railway system of the Dominion. The failure to carry out this contract is responsible in a large measure for the reduction of our population, which involves all losses.

It is submitted that the first earnest and practical attempt by the Federal Government to carry out its contract with the island is to be found in the undertaking by the present Government to construct a car ferry, which it is sincerely hoped may be the means of bringing to an end this long continued grievance.

Claim No. 2.—Compensation in respect of the public lands of Canada actually transferred, or proposed to be transferred, to certain provinces of Canada.

It is submitted that each province in Canada has a beneficial interest in those lands, in the nature of a partnership interest. At Confederation this province assumed its proportion of the debt arising from the purchase, and has since that time contributed its share to every expenditure necessary to equip these territories for settlement.

Any gift for those lands to any province or provinces without compensation to the others is so manifestly unjust as to require no argument. The United States of America is possibly the only other country affording a precedent. There the proceeds of the lands sold went to the federal treasury, and where gifts of lands were made to the states organized out of the purchased territories, equivalent gifts were made to all the other states, amounting to 30,000 acres of land for each Representative and Senator in Congress. This grant was applied to the purpose of establishing agricultural and mechanical institutions. In the case of the states in which the Federal Government held sufficient public lands for the purpose, the land grant was located in that state. In the other cases scrip was issued for public lands outside of the state to be benefited. The result of that every state in the union has established a college and received its quota of land and scrip. It is claimed on behalf of Prince Edward

Island that it has a right to receive its proper proportion of the public demesne, or an equivalent therefor.

Claim No. 3.—In respect of the Prince Edward Island Railway.

In the adjustment of the debt account between this province and Canada, this island was charged with the sum of $3,144,000 expended by the province on the construction of the road, and at the same time the road was transferred to Canada.

The transaction was carried out in this form: Canada paid at maturity the debentures which had been issued by the provincial government to meet the cost of the road; then charged the province with the amount and took over the road.

It is claimed that the cost of operation of this road is in excess of the receipts, but on the other hand no credit is given to this railway for the large amount of traffic it supplies to the Intercolonial Railway. In fact, almost all the export traffic originating on the Prince Edward Island Railway is carried to Pictou and Pointe du Chene, and there transferred to the Intercolonial Railway. The greater part of this traffic would otherwise be sea-borne directly to its destination.

In 1873 it was estimated that the expenditure of Canada upon railways and canals would not exceed $79,000,000, and on this estimate the balance of the debt was computed. When it is consented to allow Canada to charge as part of the provincial debt the cost of the railway, and forthwith presented it to Canada, it was not contemplated that the further expenditure on railways and canals on the mainland should amount to over five hundred million dollars in excess of the estimate. The system of constructing provincial railways, or subsidizing the same, was then still in the future. The enormous increase of federal taxation was not even dreamt of. The complete change in the railway policy of Canada since 1873 justifies the claim of this province to be indemnified in respect of the cost of this railway, which was given to Canada, upon the assumption that the railway policy of Canada was then settled. Since that time a railway has been built by Canada in the neighbouring island of Cape Breton at a cost of $3,800,000.

In accordance with the railway policy carried out in Canada in recent years, a private company constructing such a railway as that in Prince Edward Island would receive a subsidy of from $3,200 to $6,400 per mile, and would then own the road. This island received nothing, and gave the road away.

Claim No. 4.—An allowance for the difference between the estimated expenditure upon railways and canals of Canada since Confederation and the amount actually spent thereon.

When the Confederation terms between this province and Canada were settled, it was upon the basis of a total estimated future expenditure by Canada upon railways and canals of seventy-nine million dollars.

This claim was adjusted by the Government of Canada up to the year 1887 by the grant of an additional subsidy of $20,000 per annum. The grounds for this settlement are set forth in the Report of the Committee of the Privy Council, approved on the 22nd March, 1887, and subsequently ratified by Parliament.

It is submitted that the further expenditure by Canada since the date of said additional subsidy, after taking into account the expenditure made in the extension of the Prince Edward Island Railway, should constitute a ground for compensation to this province.

Claim No. 5.—An equivalent for the increased subsidies granted to the larger provinces to meet the increased cost of education, public works, asylums, agriculture, charities, &c., under the amendments to the British North America Act, 1907.

By the re-arrangement of subsidies this province received an increase for government and legislation slightly below the proportionate increase granted to all the other provinces, but the changes made in respect to the payment of per capita subsidy to meet the increased cost of the services mentioned in this claim conferrred

no benefit upon this province, although it was equally entitled to receive it, and urgently needed it, as the following statement shows:—

Statement showing increase of expenditure by the government of Prince Edward Island, since 1873, in certain departments:—

	1873.	1911.	Increase.
Education	$59,194 83	$126,483 35	$67,288 52
Public roads and ferries	18,301 86	41,874 41	23,572 58
Bridges	23,267 81	28,761 94	5,494 13
Lunatic asylum, poor house and paupers	11,614 56	51,483 12	39,868 56
Agriculture	2,982 44	8,705 46	5,722 02
Jails	885 73	4,898 69	4,012 96
Total increase			$145,958 77

Under the above heads the increase at the time of the re-arrangement of subsidies in 1907 was $128,000. The increased rate of Dominion taxation and the requirements of the provincial services were arguments advanced in favour of the increase of the per capita subsidy. By the removal of the limit of the population upon which this subsidy was payable, all the other provinces either immediately or prospectively obtained the relief sought, but in the case of Prince Edward Island, owing to its limited area and other causes, the plan worked out no remedy while imposing an additional burden in respect to its population of the cost of the benefits conferred upon the larger provinces.

The following table shows how the scheme for the per capita increase has worked out up to the present time:—

Ontario, an increase of		$901,644 80
Quebec	"	672,914 80
Nova Scotia	"	73,870 20
Manitoba	"	44,491 20
Saskatchewan	"	73,945 60

The other large provinces will soon come within the benefits of this amendment, but no such hope exists for this province.

It is true that this province was represented by delegates at the conference which settled upon this plan, and that they consented to it, but it is urged that their failure to guard its interests should not be regarded as a justification for perpetuating an injustice.

In order to bring this island within the benefits from which it has been excluded as above set forth, some other plan would require to be devised, and it is submitted that this might be done on the basis of the claim next set forth.

Claim No. 6.—The payment of the subsidies and the fixing of the unit of representation upon the basis of an assumed population of at least 180,000.

The history of Confederation shows that this was a method frequently employed, and in no instance did such cogent reasons exist for its exercise as in the present case.

The population of Manitoba in 1881 was 62,260. In 1882, in pursuance of 45 Vic., cap. 5, the subsidy was paid upon an assumed population of 150,000. Several such advanced estimates of population were made from time to time, until as late as 1904 by Order in Council an assumed population of 350,000 was given though the actual population by the census of 1901 was only 255,211.

British Columbia also was paid subsidies upon an assumed population much greater than the actual number. Alberta and Saskatchewan were launched into Confederation with an assumed population for each 250,000, though the actual population of both provinces combined, according to the last preceding decennial census, was 164,307.

The quinquennial and intermediate census allowed to the three prairie provinces as the basis for payment of subsidies were all concessions from the rule of the decennial census, that confers a benefit of like nature.

From the year 1841 to 1871 the population of this Island had increased from 47,034 to 94,021. At the same rate of increase it would amount to 97,153 when it entered into Confederation. Continuing at the same ratio it would in 1911 have amounted to 219,000. It is now 93,722, being 3,431 less than it was at the time of Confederation. Newfoundland is a colony whose natural conditions were never so favourable as those of Prince Edward Island. From its earliest history down to 1873, its ratio of increase of population had always been lower but from 1874, when its census was taken to 1911, its last census, it has increased from 161,374 to upwards of 240,000.

It is true that the population of Prince Edward Island continued to increase until 1891, but at a steadily diminishing ratio; then the decline began, and still continues at an acceelerating rate. One unfortunate result of the exodus is that the infirm in mind and body are left as a charge upon the dwindling population. The cost of the maintenance of the insane and poor has grown since 1873 from $11,614 to $51,483 per annum, while the number has more than trebled. The paucity of the rural population does not reduce the cost of education, nor the requirements of the public roads, but it does gravely increase the difficulty of properly maintaining them.

It is the opinion of your memorialists, almost unanimously supported by the people of our province, that Confederation had caused the destruction of the industries of the island, and has driven those formerly engaged therein to other lands. Had the island remained out of Confederation, it could have guarded these industries and developed its trade along the lines which it had established, but by surrendering to Canada its power to regulate its own tariff, its established trade routes were broken up, its business turned into Canadian channels, its industries so heavily weighted in the race with rivals who enjoyed the advantages of continuous connection with the transportation facilities of the mainland, that they have almost become extinct.

It is useless to talk of further taxation upon a diminishing population. What is necessary for the financial redemption of the province is to improve existing conditions, not to make them more burdensome.

Prince Edward Island has always borne its full proportion of the burdens of Canada, while sharing to a very small degree into the advantages of Confederation.

The National Policy, under which Canada generally has achieved such splendid development, has not extended its benefits to the industries of the province, for the reasons above set forth. The proportionate contribution of this province to the revenues of Canada amounted to $1,181,052 in 1911, computing it at the average rate, but your memorialists claim that it is much larger, by reason of the almost total extinction of the manufacturing industries within the island and the consequent large importation of dutiable goods. But even at the average rate this province nows pays to Canada in taxes more than three times as much as was required for all its public services at Confederation.

The promised car ferry, it is confidently expected, will open a new era of hope and enterprise throughout the province, and will for the first time make it an integral part of the Dominion.

But in order to enable this province to take full advantage of the boon thus offered it is necessary that its depleted revenues be restored, and the wrongs under which it has suffered be righted so far as they are capable of being righted by financial aid.

It is further submitted that Canada with its abounding revenues can now well afford the necessary relief, but cannot afford to permit its smallest province to be crushed under the burden of debt which now lies upon it.

The claim of the province to a share of the Fishery Award is presented separately. Other claims are reserved for future presentation.

Your memorialists therefore pray that Your Royal Highness in Council may be pleased to take into consideration the circumstances above set forth, and all other matters in question between this province and Canada, requiring adjustment to the end that justice may be done.

Dated this 17th day of February, A.D. 1911.

(Sgd.) JOHN A. MATHIESON,
Premier and Attorney General of Prince Edward Island.

JOHN McLEAN,
Member of the Executive Council of Prince Edward Island.

AUBIN E. ARSENAULT,
Member of the Executive Council of Prince Edward Island.

Schedule 'A.'

FRIDAY, May 2, 1873.

And Mr. A. C. Macdonald reported that the Committee had come to a resolution which resolution was again read at the Clerk's table, and is as follows:—

Whereas, the question of Confederation of this island with the Dominion of Canada having formed the subject of negotiations between the Dominion of Canada and the late Executive Council of this colony, the correspondence interchanged between His Excellency the Governor General and His Honour the Lieutenant Governor of this island, and the minutes of the Privy Council of Canada and this island, embodying certain terms and conditions relating to the proposed union, having been officially laid before the House are duly considered, the House is of opinion that said terms and conditions do not secure to this colony a sum sufficient to defray the ordinary and indispensable requirements of its local government, and are by no means equivalent for the revenue present and prospective which it would be called upon to surrender to the Dominion; and whereas the strong objections hitherto entertained by the people of this island to Confederation, having been much modified, and the present House of Assembly feeling anxious to meet the desire of Her Majesty's Imperial Government, to unite under one government all the British possessions in America, is willing in good faith and loyalty to merge the interests of the inhabitants of Prince Edward Island with those of their fellow subjects, in the Dominion, on terms which are just and reasonable, and *such as will not involve the people of this island in direct local taxation for objects for which the ordinary revenue has hitherto enabled them to provide.*

Resolved, therefore, that this House being most desirous to secure to the people of Prince Edward Island, on entering the union, just and reasonable terms, do hereby authorize His Honour the Lieutenant Governor to appoint delegates to proceed at once to Ottawa to confer with the Government of the Dominion of Canada on this great and important subject, with a full confidence that the terms to which they will agree, will be such as will insure their immediate and unqualified ratification by the Legislature of this Colony.

Schedule 'B.'

Record showing number of days on which 'No trip' was made by steamers *Minto* and *Stanley,* and days on which half trips were made by one of them only.

1902.

December	11th to 18th	8 days.	Half trips only.

1903.

January	14th to 15th	2 days.	Half trips only.
"	19th to 24th	6 "	" " "
"	26th to 31st	6 "	" " "
February	2nd	1 day.	" " "
"	3rd to 10th	8 days.	No trips.
"	11th to 12th	2 "	Half trips only.
"	13th to 25th	13 "	No trips.
"	26th	1 day.	Half trip only.
"	27th to 19th March	21 days.	No trips.
March	20th and 21st	2 "	Half trips only.
"	22nd	1 day.	No trip.
"	31st	1 "	Half trip only.
April	2nd and 4th	2 days.	Half trips only.
"	7th and 8th	2 "	No trips.
"	9th and 11th	2 "	Half trips only.

1904.

December	12, 13, 14, 18, 24 and 28	6 days.	Half trips only.

1905.

January	4, 5, 18, 19 and 23	5 days.	Half trips only.
"	24th to 2nd March	38 "	No trips.
March	3rd and 4th	2 "	Half trips only.
"	5th to 12	8 "	No trips.
"	13th	1 day.	Half trip only.
"	14th to 16th	3 days.	No trips.
"	17th to 18th		Half trips only.
"	19th to 21st	3 days.	No trips.
"	22nd and 23rd	2 "	Half trips only.
"	28th	1 day.	No trip.
"	29th	1 day.	Half trip only.
April	4th and 5th	2 days.	No trips.

1907.

February	2nd	1 day.	Half trip only.
"	5th	1 "	Half trip by "Minto".
"	5th and 6th	2 days.	No trips by "Stanley".
"	7th	1 day.	Half trip by "Minto".
"	18 and 19th	2 days.	No trips by "Minto".
"	25th to 4th March	11 "	No trips by either.
March	5th to 17th	13 "	" "
"	18th and 19th	2 "	No trips by "Stanley".
"	20th to 25th	6 "	No trips by either.
April	2nd and 3rd	2 "	" "
"	5th	1 day.	Half trip by "Stanley".
"	6th to 10th	5 days.	No trips by "Minto".
"	7th	1 day.	No trips by "Stanley".
"	9th and 10th	2 days.	" "

1907-1908.

Minto.

December 3, 1907 to January 8, 1908 .. .. .. Charlottetown to Pictou.
January 9, 1908 to March 31, 1908 .. .. .. Georgetown to Pictou.
February 12th and 13th .. .. Stopped by ice.

Stanley.

December 7, 1907 to January 8, 1908 .. .. Charlottetown to Pictou.
January 9, 1908 to March 31, 1908 .. .. .. Georgetown to Pictou.
February 12th and 13th .. .. Stopped by ice.
March 11th to 13th .. .. Stopped by ice.

1908-1909.

Minto.

December 14, 1908 to December 26, 1908 .. Charlottetown to Pictou.
December 27, 1908 to March 31, 1908 .. .. .. Georgetown to Pictou.
January 30 to February 3, 1909 .. .. Stopped by ice.
February 25, 1909 .. .. Stopped by ice.
March 23 to March 27, 1909 .. .. Stopped by ice.

Stanley.

December 21, 1908 to December 25, 1908 .. Charlottetown to Pictou.
December 25, 1908 to March 31, 1909 .. .. Georgetown to Pictou.

1909-1910.

Minto.

December 31, 1909 to January 4, 1910 .. .. Charlottetown to Pictou.
January 4 to March 14, 1910 .. .. Georgetown to Pictou.
March 16 to March 30, 1910 .. .. Charlottetown to Pictou.
January 11 to 26, 1910 .. .. Detained by severe storm.

Earl Grey.

December 30, 1909 to January 18, 1910 .. .. Charlottetown to Pictou.
January 18th to January 25th.. .. .. .. Georgetown to Pictou.
January 18th until opening of navigation.. Charlottetown to Pictou.
Missed two trips on account of severe storm.

1910-1911.

Minto.

December 20, 1910 to January 11, 1911.. .. Charlottetown to Pictou.
January 11 to March 31, 1911.. .. .. Georgetown to Pictou.
January 28th .. .. Stuck in ice.
February 3rd and 4th.. .. .. " "
February 7th and 8th .. .. " "
February 13th to 17th .. .. " "
February 20th to 25th .. .. " "
March 1st .. .. " "
March 6th to 10th .. .. " "
March 15th .. .. " "

Earl Grey.

December 17, 1910 to January 26, 1911 .... Charlottetown to Pictou.
January 26th to April 8th .. .. Georgetown to Pictou.
April 8th to May 1st.. .. .. Charlottetown to Pictou.
February 8th .. .. Stopped by severe storm.
February 15th .. .. Stopped by snow.
February 16th .. .. " ice.
February 20th .. .. " "
February 21st .. .. " "
February 28th .. .. " snow.
March 6th.. .. .. " ice.
March 8th .. .. " "
April 1st .. .. " "

RETURN

[153a]

To His Royal Highness Field Marshal Prince Arthur William Patrick Albert, Duke of Connaught and of Strathearn, Earl of Sussex in the Peerage of the United Kingdom, &c., &c., Governor General and Commander-in-Chief of the Dominion of Canada:

In pursuance of the Commission of Your Royal Highness, dated the twelfth day of February, one thousand nine hundred and twelve, by which I was appointed a Commissioner to make investigation into all material and relevant facts in relation to:

(*a*) The incorporation by Act of Parliament of the Farmers Bank of Canada and the organization thereof;

(*b*) the application for and the giving by the Treasury Board of the certificate permitting the bank to issue notes and to commence the business of banking;

(*c*) the conduct and operation of the business of the bank, the amount of capital subscribed and paid up, the causes of the suspension and failure, and the extent of the liabilities and the value of the assets thereof.

I have made the investigation which I was appointed to make, and have the honour to report:

Before dealing in detail with the special matters as to which inquiry is directed, it will be convenient to give a brief outline of the history of the bank from its incorporation until its suspension.

The bank was incorporated in the year 1904, by 4 Edward VII., chapter 77.

The applicants for the Act were James Gallagher, of the village of Teeswater, John Watson, of the town of Listowel, John Ferguson and Alexander Fraser, of the city of Toronto, and Alexander Shepherd Lown, of the village of Drayton, and they are named in the Act as the provisional directors of the bank.

The capital stock was fixed at $1,000,000, and, subject to section 16 of the Bank Act, the Act was to remain in force until 1st July, 1911.

By an Act passed in 1905 (4-5 Edward VII., chapter 92), it was provided that the Treasury Board, notwithstanding anything contained in the Bank Act or in the Chapter 77 of the statutes of 1904 incorporating the Farmers Bank of Canada, might within two years from the 18th July, 1904, give to the bank the certificate required by section 14 of the Bank Act, and it was further provided that if the bank did not obtain the certificate within that time "the rights, powers and privileges conferred" on the bank by the Act of incorporation and by the Act of 1905 should "thereupon cease and determine but otherwise" should "remain in full force and effect notwithstanding section 16 of the Bank Act."

By another Act, passed in 1906 (6 Edward VII., chapter 94), the time for obtaining the certificate of the Treasury Board was extended for six months from the 18th July, 1906, and this Act contained a provision similar to that contained in the Act of 1905 as to the consequence of failure to obtain the certificate within that time and as to the Act remaining in force notwithstanding secion 16 of he Bank Act.

Section 16 of the Bank Act provides that:—

"16. If the bank does not obtain a certificate from the Treasury Board within one year from the time of the passing of its Act of incorporation, all the rights, powers and privileges conferred on the bank by its Act of incorporation shall thereupon cease and determine, and be of no force or effect whatever."

And it was in consequence of this provision that it was necessary to obtain the extensions which were granted by the Acts of 1905 and 1906.

The provisional directors met for organization on the 26th August, 1904, and, after having appointed John Ferguson, M.D., as chairman, and Alexander Fraser as secretary, and transacting some other business, passed the following resolution:—

"The first block of $500,000 of the capital stock shall be offered at par value, viz.: $100 each share at the price of $100 per share, and the payments on the same shall be as follows: $5 per share on subscription, a further $15 per share on allotment, and eight equal monthly payments of $10 each per share on the first day of each and every of the eight months immediately succeeding the date of such allotment."

Public notice was subsequently given that stock books, upon which would be recorded the subscriptons of such persons as should desire to become subscribers in the bank, would be opened on September 6, 1904.

On that day another meeting of the provisional directors was held, at which the following resolution was passed:—

"That $500,000 capital stock of the Farmers Bank of Canada be placed in the hands of Mr. C. H. Smith for sale at par and that he be allowed a commission of five per cent on all stock placed and that the agreement to be entered into under this minute continue in force until the 6th day of January, 1905, subject to such further extension as may then be deemed expedient, and shall contain a clause that the Board may at any time rescind this agreement, provided that satisfactory progress has not been shown."

At the same meeting it was resolved that the provisional directors should be paid their railway fare, and for each meeting to those living out of Toronto, $20, and to those living in Toronto $10.

At a meeting held on the 26th November, 1904, a prospectus was approved and directed to be printed.

The first allotment of shares appears to have been made by the provisional directors on the 23rd day of December, 1904, and subsequent allotments were made from time to time by them.

At a meeting of the provisional directors held on the 5th September, 1906, a resolution was passed authorizing the giving of notice of a meeting of the subscribers for shares for the purpose of organization when the government deposit should have been made.

The deposit was made on the 23rd October following.

Notice of the meeting to be held on the 26th November following was given; it is dated the 18th October, 1906, and was first published in the "Globe" newspaper on the 22nd, and in the "Canada Gazette" on the 27th of that month.

The meeting was held pursuant to the notice, and at it a report of the provisional directors, which bears date the 22nd November, 1906, was read and adopted, and their acts were "confirmed, ratified and approved, and directors were elected and by-laws passed.

On the day following this meeting an application for the issue of the certificate of the Treasury Board was made; the application was accompanied by what purported to be a list of the shareholders, and among other documents a statutory declaration of W. R. Travers, the General Manager of the bank, in which referring to the list of shareholders, he declares that it is "a list of the subscribers to the

capital stock of the said bank correctly setting forth as to each subscription the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares, and the amount paid in thereon," and that each of the subscriptions 'is a bona fide subscription to the capital stock' of the bank.

At a meeting of the Treasury Board held on the 30th November, 1906, the issue of the certificate was authorized, and the certifiiate was issued on that day.

The bank began business on the 2nd day of January, 1907, and suspended payment on the 19th day of December, 1910, and was subsequently ordered to be, and is now in process of being wound up.

I proceed now to deal in detail with the matters as to which I am directed to inquire.

It is not without significance, I think, as bearing upon the subsequent history of the bank, that its incorporators who became its provisional directors had no experience in the business of banking or in any other business in which they would have acquired the knowledge essential to the successful launching of a bank.

The provisional directors found much difficulty in procuring subscriptions for a sufficient number of shares to enable the bank to be organized and to obtain authority to issue notes and commence the business of banking.

The issue of $500,000 authorized at the meeting of 6th September, 1904, was first placed in the hands of Mr. C. H. Smith for disposal, and he was to receive a commission of 5 per cent 'on all stock placed.'

The progress made by Smith in obtaining subscriptions seems to have been slow, for on the 13th February, 1905, at a meeting of the provisional directors a motion was proposed by Dr. Ferguson and seconded by Mr. Fraser:

"That in view of the fact that the charter of the Farmers Bank will lapse at an early date and it is evident going to be grave difficulties in the way of disposing of the capital stock of the bank, be it resolved that all moneys paid on shares now placed be returned and the expenses up to date be defrayed equally by the provisional directors."

The motion, unfortunately, in the light of subsequent events, did not commend itself to the other directors, Messrs. Lowns, Gallagher and Watson, and it was lost.

After the defeat of this motion, it appears to have been decided to continue the efforts to obtain the necessary subscriptions, for immediately following it a motion made by Dr. Ferguson and seconded by Mr. Fraser:

"That an application be forthwith made to the Parliament of Canada for an extension of time for obtaining the certificate of the reasury Board," was carried.

Efforts continued to be made to obtain the necessary subscriptions, but they do not appear to have been attended with much success, until after the 10th March, 1906, when Mr. W. R. Travers appeared upon the scene, and an agreement was entered into between him and the provisional directors by which he was authorized 'to sell all the capital stock' except portions of it which Smith and a firm of Toronto solicitors had been entrusted to sell. According to the terms of this agreement, Travers was to receive a commission of ten per cent on the stock sold by him, payable one-half on the signing of the subscription and payment of deposit, and the balance on allotment, and, subject to ratification by the permanent board of directors elected by the shareholders, he was to be engaged as General Manager of the bank for five years certain, to date from the issue of the certificate of the Treasury Board, at a salary of $4,000 for the first year, increasing by $1,000 in each of the subsequent four years, and if he should not be continued as General Manager after the five years he was to receive a pension of $1,500 a year during the remainder of his natural life.

The agreement contains other terms which it is not necessary to mention, and a provision that the expenses of the provisional directors, if they did not up to the date of the agreement exceed $16,000, should be paid out of the funds of the bank and

that "the literature, office rent, and other incidental expenses of a like nature" should be paid by the bank.

At the same meeting, a resolution was passed that Lown and Smith should be given positions in the bank on its organization, Lown as secretary, and Smith as manager of a branch, or an equivalent position in the head office, and that in the event of their not being continued in office for a period to be agreed on between them and Travers, an adequate allowance should be made to them by pension or bonus, and a further resolution that an allowance of $3,000 each should be made to Ferguson and Fraser for their services and outlays as provisional directors in the organization of the bank, and that these sums should be paid when the bank should be ready for business.

On the 4th day of July, 1906, the agreement of the previous 10th March was put an end to, and a new agreement was entered into between Travers and the provisional directors.

By the new agreement it was provided that Travers was to be "allowed to sell" all unsubscribed shares of the first issue of $50,000 at par, and the remainder of the capital stock ($500,000) at such premium as might be decided on, up to the time at which the duties of the provisional directors should cease, and that he should be paid a commission of ten per cent for the expenses of selling the stock "payable one-half on the signing of the subscription and payment of deposit, and the balance on allotment"; that the provisional directors should be bound to allot all the stock on the application of Travers, and to make "all legal calls thereon," and at his request to call all meetings and do all acts which should be legally necessary for the organization of the bank, and that Travers should be engaged as General Manager for five years certain to date from the issue of the certificate of the Treasury Board at a salary of $5,000 for the first year, increasing by $1,000 in each of the subsequent four years.

This agreement also contained a provision similar to that of the earlier agreement as to a pension to Travers and as to his engagement as General Manager subject to ratification by the directors to be elected by the shareholders.

The agreement also provided that "the literature, office rent, and other expenses" of the organization of the bank should be paid by the bank, and confirmed all acts done by Travers, and "all accounts incurred by him as General Manager" up to the date of the agreement, and it further provided that Travers "accepted the legitimate accounts" as they then stood on the books for the expenses of organization to that time, and that he would allow to the provisional directors and Smith, who was also a party to the agreement, $20,000 as remuneration for their "services, surrender of charter" etc., to be paid out of the funds of the bank if confirmed at the meeting of the subscribers, and that Travers should thereafter have full control of the office of the bank and all affairs pertaining to its organization.

By a contemporaneous agreement the provisional directors and Smith agreed to assign to Travers "all their claims and interest" under the other agreement, and Travers agreed to accept their claim under it and to take "the responsibility of the claim and to pay the $20,000 to them immediately upon" their passing the necessary resolution to give the legal notice calling a meeting of the subscribers for the organization of the bank, and on the same day Travers paid them $10,000 on account of the $20,000, and an agreement was made between the provisional directors and Smith for the division of the $20,000 between them as follows: to Lown and Smith each $5,000; to Ferguson and Fraser each $3,500; and to Watson and Gallagher each $1,500, and the $10,000 was divided between them in those proportions.

The $10,000 paid by Travers was provided by paying him that sum on account of the commissions out of the money of the bank in the hands of the provisional directors, and the payment was authorized by a resolution passed on the same day.

Another agreement bearing the signatures and seals of all the parties to the agreement of the 4th July, 1906, was adduced in evidence; it bears the same date and is in all respects identical with that agreement except that the rate of commission is stated to be 15 per cent. According to the testimony of Travers this agreement was the final one between the parties and the one that was acted on, but the contrary was stated by the provisional directors who gave evidence.

It is unecessary for the purpose of the inquiry to determine on which side the truth lies, and I therefore make no finding as to it.

It appears clear from these agreements and resolutions that what was intended was to sell the charter of the bank to Travers and to put him in control of its organization and business, and that the provisional directors should abdicate their functions and act in accordance with his directions, and that is what followed.

Travers at once set about obtaining the requisite subscribers and a vigourous canvass for that purpose was entered on, especially after an agreement was made in the following August between him and W. J. Lindsay for the latter assisting in the work and for an equal division of the commission between them.

A prospectus was issued by the provisional directors some time in March, 1906, and no doubt after the agreement of the 10th, as it appears to have been approved of by them at a meeting held on the 21st of that month. A copy of it appears in the return brought down to the House of Commons pursuant to an order of the House of the 16th January, 1911 (Exhibit 5, pp. 10, 11 and 12).

The prospectus contains the names of a number of persons who it is stated had consented to act as directors if elected, four of whom were called at witnesses on the inquiry and each of whom testified that as to him the statement was incorrect and unauthorized.

How far, if at all, persons were induced to subscribe in consequence of these statements does not appear.

The form of application to be signed by an applicant for shares appears on pages 13 and 14 of the return, and that form was used in most if not all cases; it provides for the payment in respect of each share of $10 on signing the application, $20 on allotment, and the remainder in seven equal monthly instalments of $10 each, the first of them to be paid in 30 days after allotment, and the succeeding ones at intervals of 30 days, and gives the applicant the right to pay in full on allotment.

In a number of cases a promissory note was given by the applicant for the full amount of his subscription, payable in most cases in twelve months to the order of "the provisional directors of the Farmers Bank of Canada."

In many cases no payment in cash was made at the time of the application or up to the time of allotment.

Questions having arisen as to the legality of taking promissory notes in settlement of subscriptions for shares, and as to the payment of commissions on such subscriptions, at a meeting of the provisional directors held on the 23rd June, 1906, it was decided to take the option of Messrs. Urquhart, Urquhart & McGregor, a firm of Toronto solicitors, on the questions and to instruct Travers not to accept notes in lieu of cash and that the conditions set forth in the form of application should be adhered to "on a cash basis unless otherwise specially authorized by the Board."

Apparently only the first question was submitted to the solicitors, and their opinion as to it was that the provisional directors had power to accept subscriptions where the applicant gives his promissory note in payment for the shares in place of or in addition to "giving his subscription in the usual manner," and though the note should mateure "at a time different from the payments in the subscription." A copy of this opinion was adduced in evidence and is Exhibit 13.

On the 4th July, following, the resolution "calling for the selling of stock on a cash basis" was rescinded.

I have no doubt that one reason, at all events, and probably the main one for accepting promissory notes was that Travers might be enabled by means of them to raise money to make up the cash deposit which had to be made as one of the conditions precedent to the issue of the certificate of the Treasury Board.

On the 5th September, 1906, as I have mentioned, authority was given to give the notice of the meeting of the subscribers for organization as soon as the government deposit should have been made; this authority was given Travers and he was authorized to do all other acts necessary for calling the meeting.

It is not open to question that $500,000 of the capital stock had not been then subscribed, and that $250,000 had not been paid by the subscribers.

It was contended that the statement in the statutory declaration of Travers, made on the 27th November, 1906, to which I have referred, and a copy of which appears on pages 7 and 8 of the return (Exhibit 5), that the list of subscribers marked Exhibit D to the declaration correctly set forth as to each subscription the name of the subscriber, his address, the number of shares subscribed by him and the amount of his shares, and that each subscription was a bona fide subscription to the capital stock of the bank, was untrue. The number of shares subscribed for, as shown by the list, was 5,792, though by an error in the addition it was stated to be 5,789, and the amount subscribed was $579,200, a corresponding error as to this having been made in adding up the figures; of these shares it was, however, stated that 35 were subscribed after the 22nd October, 1906, which as I have mentioned was the date of the first publication in the *Globe* newspaper of the notice calling the meeting of the subscribers, and Travers appears to have thought that subscriptions received down to and including that day, but not those received after it, were to be taken into account in making up the $500,000 which section 13 of the Bank Act requires to be bona fide subscribed before the meeting of the subscribers is called.

If the 22nd October, 1906, be the determining date, and as I think allotment was necessary to constitute an applicant for shares a subscriber within the meaning of the Act, the statement as to the number of shares that had been bona fide subscribed for was untrue, and on the hypothesis I have just mentioned less than 5,000 shares had been subscribed for.

If, however, all the shares for which bona fide applications had been then made were properly included, or the determining date was the date of the meeting of the subscribers, the statement was true.

I express no opinion as to what date is the determining one, as my function is not to pass upon questions of law, but only to determine questions of fact.

The statement in the declaration that the list of subscribers correctly set forth as each subscription "the amount paid in thereon" and the statement that the $250,000 deposited to the credit of the Minister of Finance and the Receiver General was paid out of the moneys paid in and which actually had been received in respect of the shares, was literally true, but was calculated to deceive the Minister of Finance as to the real facts and was intended to do so.

The fact was that two sums amounting together to $100,000 had been borrowed by Travers from the Trustees and Guarantee Company on the security of promissory notes made by applicants for shares which had been endorsed to him by the provisional directors for the express purpose of raising money to be used in making the deposit, as appears from the following resolution passed by the provisional directors on the 8th October, 1906:—

> "that the provisional directors execute a power of attorney to W. R. Travers for the purpose of endorsing all notes in their names as provisional directors and of signing their names to a note or notes for the purpose of raising funds to put up the deposit with the Government, and we authorize the Secretary to hand over all notes to W. R. Travers for the said purpose."

Acting under the authority of this resolution and armed with a power of attorney from the provisional directors to him, dated the 8th October, 1906, Travers, on the ninth day of October, 1906, borrowed from the Trusts and Guarantee Company $80,000, repayable in a month, on the security of promissory notes of subscribers amounting in the aggregate to $100,955, agreeing to pay interest on the loan at the rate of 10 per cent per annum and a bonus of $1,000, and on the twenty-third day of October, 1906, he borrowed from the same company $20,000, repayable on demand, on the security of promissory notes of subscribers amounting in the aggregate to $26,500, and certain shares of Loan Companies, valued at $20,500, which had been transferred to the bank in payment of subscriptions, agreeing to pay the same rate of interest and a bonus of $500.

For the loan of $80,000, the Trusts and Guarantee Company issued its cheque on the Bank of Montreal payable to the order of that bank 'For credit of the Farmers' Bank of Canada with the Finance Minister and Receiver General' and for the loan of $20,000 the company issued its cheque on the Ontario Bank payable to the order of the Bank of Montreal, for 'Credits Farmers' Bank of Canada with Finance Minister and Receiver General.'

The form was then gone through of crediting the proceeds of these loans, to the extent of $75,995, as payments on the shares of certain of the applicants for shares, as shown on pages 40 and 41 of Exhibit 63, and to the extent of $20,027 in substitution for securities which had been taken in payment for shares and were held by the provisional directors, and the latter sum was treated as having been paid in cash; the balance of the loans were used to cover in part expenses of organization which were not carried into the books of the bank until some months after it began business. $17,595 was placed to the credit of subscribers other than those whose promissory notes had been used for the purpose of obtaining the loans, and who had actually paid nothing on account of their shares, and in many cases subscribers' notes for much larger sums than were placed to their credit were pledged for the loans.

Although the form of applying the money borrowed in the way I have indicated was gone through, the real purpose of the transaction was to enable Travers to represent to the Treasuray Board that a larger sum had been paid in than had been actually been received on account of the shares, and Travers intended that as soon as the deposit of $250,000 was returned to the bank the loans should be paid off and the subscribers' notes be discounted in the various offices of the bank, and that was in fact done, about $60,000 having been repaid in December and the remainder in the March or April following.

That in thus dealing with these notes the provisional directors and Travers were guilty of a breach of trust does not, I think, admit of doubt, and for the manner in which the money borrowed was applied there was neither justification nor excuse.

When the Finance Minister, as I shall refer to more fully later on, raised the question as to whether money had been borrowed to make up the $250,000 deposit, and in his letter to Travers, of the 30th November, 1906, (Exhibit 5, p. 36), asked for an assurance from him that notes of subscribers who had not actually paid in cash but had given notes to the provisional directors had not been used to raise the money, Travers' letter in reply (Exhibit 5, pp. 36-37), while it was intended to appear to give the assurance for which the Minister had asked, did not do so; his letter was a brief one and was confined to the statement that the provisional directors had not raised the money in the way mentioned by the Minister, and the further statement that the Minister would find the statement that had been put in "absolutely correct as to the amount of stock subscribed and the amount paid up." These statements, though possibly literally true as Travers understood the transaction with the Trusts and Guarantee Company, which was that the loans were personal loans of his own, were, in fact, untrue and the language used in his letter was deliberately chosen by Travers in order to make it appear that he was giving the assurance for which the Minister had asked, while he was in fact not doing so and could not truthfully do so.

My conclusion on this branch of the inquiry is that the Treasury Board was induced to give its certificate by false and fraudulent representations on the part of Travers, and that if the facts I have mentioned as to the way in which the $250,000 was made up had been disclosed, the certificate of the Treasury Board would not have been given.

It is plain from the letter of the Finance Minister to Travers, of 30th November, 1906, that the Minister understood that section 13 of The Bank Act would not have been complied with if the $250,000 was made up wholly or in part of money raised on promissary notes given by subscribers for shares to the provisional directors and that he would have felt it his duty to recommend that the certificate should not be granted if he had known that part of the money had been raised in that way.

That that information had been given to the Minister before the certificate was issued appears from the testimony of Sir Edmund Osler and Mr. David Henderson and is shown by the letter of the 19th October, 1906, of Mr. Leighton McCarthy to the Minister, which appears in Exhibit 5, pp. 2, 3. In that letter Mr. McCarthy states as follows:

"I have received information that the alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money and that the persons professing to act in the name of the bank have transferred notes and received the proceeds and that a deposit either has been or will be made of the cash received and the proceeds of these notes or sufficient amount to make up $250,000."

That the verbal information I have mentioned was conveyed to Mr. Fielding was not denied though he stated that, as I have no doubt was the fact, no formal objection to the granting of the certificate was made either by Sir Edmund Osler or by Mr. Henderson. That, however, in my opinion, is immaterial.

I do not suggest that the Minister would have been justified because of the information conveyed to him in recommending that the certificate should not be granted, or that the Treasury Board because of it would not have been justified in refusing to grant it, but, having received the information, it was in my opinion incumbent on the Treasury Board to have investigated the charges that had been made before coming to a conclusion as to whether or not the certificate should be given.

The officials of the Department of Finance appear to have treated Mr. McCarthy's letter as if it had never existed, and, in my opinion, in that they erred, for, although Mr. McCarthy on the 2nd November, 1906, wrote to the Minister informing him that the claims made by his clients had been "settled by their subscriptions being taken up by some parties interested in the bank and refunding the money paid by the individuals or returning the notes which had been given" and had withdrawn the objections which he had made on behalf of his clients to the issue of the certificates, Mr. McCarthy did not in any way intimate that the information he conveyed to the Minister as to the way in which the $250,000 had been made up had been found to be incorrect.

Although the information which had been conveyed to the Minister had evidently impressed him with the necessity for further inquiry on his part before advising that the certificate shall be given, the only inquiry made was that contained in his letter to Travers, of the 30th November, 1906, to which reference has been made, and strangely enough in that letter what is said to have led to the inquiry is stated, not, as one would have expected, that information of the character mentioned in the letter had reference to the application of the Farmers Bank but that it had reference to previous applications where it is said the application was in all respects apparently regular.

As I have already pointed out, Travers in his reply did not give the assurance for which the Minister had asked, viz., an assurance that nothing of the kind had taken place in relation to the subscriptions for the Farmers Bank, but that the

amounts set forth in the application as having been paid up have in every case been bona fide cash payments.

Unfortunately, Travers' reply appears to have been treated by the Department as containing the assurance for which the Minister had asked.

I very much doubt whether in the circumstances it would have been right to have depended upon the word of Travers, even if he had given the assurance for which the Minister had asked. The information which had been conveyed to the Minister had come from gentlemen of standing, and if it was accurate the declaration of Travers had made was untrue and it would seem to have been almost an idle thing to ask for an assurance that there was no foundation for the statements that had been made to the Minister from the very man whose honesty was in question and unwise to have acted on that assurance.

It is true that, as Mr. Fielding stated in evidence, Travers, so far as he knew, was a reputable banker; but that was not, in my opinion, a sufficient reason for not having instituted an inquiry as to the matters which had been called to his attention. Such an inquiry could easily have been made, and the delay occasioned by it would have been inconsiderable, and such an inquiry would, undoubtedly, have resulted in the discovery of the manner in which the $100,000 had been raised and in the refusal of the Treasury Board to give the certificate.

An unsuccessful attempt was made to show that money had been used by Travers to procure the issue of the certificate. In support of it Travers testified to the issue of a cheque for $3,000 which he said was placed in an envelope addressed to Mr. Peter Ryan and sent to Mr. Ryan's room in the Russell House, at Ottawa, and afterwards presented and cashed.

That Ryan received this cheque or had any connection with it, if it was used for the purpose stated by Travers, was disproved.

There is, in my opinion, no ground for supposing that any improper influence was used to induce the Treasury Board to give the certificate or to induce the Minister of Finance to recommend the granting of it, and the most that can properly be charged against the Department of Finance or the Treasury Board is an error of judgment.

It was argued before me that there was a duty resting upon the Department of Finance upon receipt of the letter of the President of the Canadian Bankers Association (Mr. Clouston) (Exhibit 28) which reached the Department after the certificates of the Treasury Board had been given, to have taken steps to recall it, but I am not of that opinion and know of no power in the Department or in the Treasury Board to recall a certificate.

It is to be observed that this letter contained no further information than already had been communicated to the Minister of Finance by Sir Edmund Osler, Mr. Henderson and Mr. McCarthy.

It was unfortunate, I think, that the information conveyed to the Minister of Finance by Sir Edmund Osler and Mr. David Henderson as to the way in which the money deposited by the bank had been raised, if it was intended to prevent the issue of the certificate, was not conveyed to the Minister in writing, and it may be observed as probably indicative of their view as to the gravity of the irregularities of which they had been informed, that neither of them, though both were Members of the House of Commons, when the fact that the certificate had been given came to his knowledge, called in question in the House the action of the Treasury Board or made the granting by it of the certificate the subject of inquiry.

The action of the Canadian Bankers Association in receiving as it was said it had done the Farmers Bank into the Association was questioned by Mr. Fielding in his testimony before me, but his criticism was based upon an erroneous assumption as to the power of the Association to exclude from membership. On reference to the Act of incorporation of the Association, 63-64., cap. 93 D, it will be found that it had

no such power, and that on the Farmers Bank becoming entitled to carry on the business of banking in Canada it became *ipso facto* a member of the Association.

I was asked by the representative of the shareholders and depositors to find that there was "neglect of duty on the part of the Finance Department after the" receipt of the letter of the 17th April, 1907, from Mr. G. Vankoughnet, the manager of the bank at Milton, addressed to the Deputy Minister of Finance (Exhibit 5, p. 29), and informing him that promissory notes given in payment for shares were being discounted at the bank's branches and the proceeds credited to the head office, which included them in its returns as paid up capital and issued circulation accordingly.

In consequence of this letter, the Department, on the 2nd May, 1907, called for a special return showing (1) what part of the $375,473 paid up capital as shown by the return of 30th March, 1907, was represented by promissory notes or other obligations of shareholders or the proceeds of the same of which the bank was the holder or liable on, and (2) the names and holdings of stock of such shareholders with particulars of such notes or obligations as were then current.

The return asked for was made a few days afterwards. It appears on pages 35 and 36 of Exhibit 5, and shows that promissory notes amounting in the aggregate to $59,110 given by shareholders having shares of the aggregate par value of $92,700 were included in the $375,473, and were held by the bank, and no further action was taken by the department.

I am unable to find that in this there was any neglect of duty on the part of the Department, or to see that anything more than was done could have been done, even if Mr. Vankoughnet's letter had stated, which it did not, that the promissory notes he referred to were notes that had been given in respect of shares included in the list furnished to the department when the application for the issue of the certificate of the Treasury Board was made.

Notwithstanding the irregularities on the part of Travers and his misconduct in connection with the application for the certificate, which I have mentioned, the evidence satisfies me that if the bank had been prudently and honestly managed there is no reason why it should not have succeeded. The promissory notes that had been given by subscribers were for the most part good and were subsequently paid, and while it is true that if the certificate of the Treasury Board had not been granted the money of the shareholders and depositors would not have been lost, the efficient cause of that loss was the recklessness and fraud of those entrusted with the management of the bank, and not the granting of the certificate.

One of the first acts of Travers after the certificate had been obtained, was to cause a fraudulent entry to be made in the books of the bank as to the expenses incurred by the provisional directors, by writing down the amount of them, which was at least $46,543.71, to $32,127.71, the difference being concealed by treating as cash on hand three sums of $3,000 each, represented by cheques and obligations of persons who had subscribed for shares which had not been, if they were to be so treated, credited to capital account, and taking the remaining $3,978 and the $1,500 bonus paid to the Trusts and Guarantee Company, less $62 received from other sources, out of the money borrowed from the Trusts and Guarantee Company.

The subsequent management of the affairs of the bank was characterized by gross extravagance, recklessness, incompetency, dishonesty and fraud, and has resulted in the entire loss of the paid-up capital and the whole of the deposits, and that after allowing for all that can be extracted from the shareholders on their double liability a loss amounting to no less than $1,806,437, making a record unparalleled in the history of any bank in Canada, or, as far as I am aware, in any other country.

It is unnecessary to do more than state in general terms in what way these losses were incurred, as full particulars of them will be found in the carefully prepared and exhaustive statements of the liquidator, Mr. Clarkson, which accompany my report,

and in which will also be found a history of the Keeley mine transaction in which a loss approximating $500,000, as afterwards mentioned, was sustained by the bank.

Subject to deductions in respect of some of the items of sums amounting in the aggregate to $42,377, during the short career of the bank, the bad debts amounted to $598,565; the operating losses, including the cost of printing bank notes and stationery, to $281,119; the organization expenses to $87,279; the sums stolen by officers of the bank, after deducting what has been and is expected to be recovered from sureties, to $134,118; the dividends paid, to $50,772; the losses on expenditures on bank premises, fixtures and furniture, to $108,801; the loss on the purchase of the Keeley mine, to $509,886, from which, however, is to be deducted what may ultimately be realized from the sale of it; loss on the purchase of stock in the Keeley Mine Company, $15,000; besides other losses amounting in the aggregate to approximately $63,274.

The amount of capital subscribed and paid up and the extent of the liabilities and the value of the assets of the bank appear in a statement prepared by Mr. Clarkson which is annexed to my report and is marked Exhibit 96.

Before concluding my report, it seems to me proper to mention some matters as to which evidence was adduced, and which have formed the subject of public discussion, and to state my conclusions as to them.

It was shown that the *World* Newspaper Printing Company had a credit with the bank for a considerable sum, and that money was kept on deposit at the bank bearing interest by the Treasurer of Ontario, and it was alleged that the credit was given by Travers on the understanding or agreement that in consideration of it being given the company should use its influence with the Provicial Government and its Treasurer to induce them to make deposits with the bank, that the company did use its influence to that end, and that its efforts resulted in the deposits that were made by the Treasurer or some of them being made.

Most of the transactions between the company and the bank were carried on on behalf of the company by Mr. Greenwood, who was its Managing Director.

Mr. Greenwood was a witness upon the inquiry and correspondence between him and Travers and between him and the Provincial Treasurer was put in evidence.

My conclusions as to these matters are:—

1. That while it is probable that Travers thought that the giving of the credit which he gave to the company would result in such influence as the company could bring to bear upon the Provincial Treasurer to induce him to make deposits with the bank being used, and that Greenwood knew that Travers so thought and promised to use that influence, there was nothing in the nature of an agreemet that as a consideration for giving the credit it would be used, and there is no reason of thinking that had the promise not been made the credit would not have been granted.

2. That if any such promise was made it was not communicated ot the Provincial Treasurer, and that he was not made aware that it had been made, and that in making deposits with the bank he acted with nothing in view but the public interest and the making of a fair distribution of Government deposits between the banks carrying on business in Toronto.

I may add that since the inquiry was entered on, the whole of the indebtedness of the company to the bank has been paid.

It is proper also to say, in conclusion, that Travers appears to have thought the Keeley Mine a property of immense value and that by the sale of it all the losses which had been incurred would be met, and that he appears to be still of that opinion.

All of which is respectfully submitted.

W. R. MEREDITH,
Commissioner.

Toronto 21st February, 1913.

TORONTO, November 28th, 1912

In the Matter of

THE FARMERS BANK OF CANADA—STATEMENT OF AFFAIRS AS OF NOVEMBER 28TH, 1912.

LIABILITIES.

Share Holders—		
Capital paid in	$ 532,599	
Premiums paid on Capital Stock	13,555	
		$ 546,154
Prior Lien Claims—		
Reserve to cover deposits made after suspension		1,500
Rents and Taxes payable		4,778
Circulation outstanding with accrued interest		340,375
Deposits by Provincial Governments		26,533
Deposits and Obligations—		
Savings Deposits	$ 989,300	
Current Account deposits	145,714	
Drafts and Bills of Exchange outstanding	36,044	
		1,171,058
Other Liabilities—		
Sundry claims and accounts		21,414
		$ 2,111,812

ASSETS.

Deposit with Receiver General to secure circulation	$	21,687
Cash in Banks, and on hand		462
Overdue loans—valuation		132,400
Bank premiums—valuation		3,500
Real Estate, other than Bank Premiums		9,000
Mortgages upon Real Estate sold		19,500
Sundry other assets		37,200
Total		213,749
Deficiency		$1,898,073

Increase of deficiency over that shown at time of suspension, $1,806,437, arises from interest upon circulation paid and accrued to amount of $31,724, disbursements in protection of Keeley mine and other assets, and costs and expenditures paid in respect of liquidation. The costs of liquidation have been heavy owing to the fact that in respect to most of the assets of the bank litigation is unavoidable if collection is to be enforced.

Liquidator.

PROCEEDINGS

OF THE

ROYAL COMMISSION

OF

ENQUIRY IN THE MATTER

OF THE

FARMERS' BANK OF CANADA

PRINTED BY ORDER OF PARLIAMENT

OTTAWA:
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1913.

[No. 153A—1913.

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PROCEEDINGS OF THE ROYAL COMMISSION OF INQUIRY IN THE MATTER OF THE FARMERS BANK OF CANADA.

The Commission held its first meeting at 11 A.M. March 4th, 1912, at Osgoode Hall, Toronto. There were present the following:

HON. SIR WILLIAM R. MEREDITH, Commissioner.
FRANK E. HODGINS, K.C., Counsel representing the Dominion Government.
E. NIELD, C.S.R., Official Stenographer.

There were also present counsel mentioned below.

MR. COMMISSIONER: Have you the notice, Mr. Hodgins?

MR. HODGINS: I might mention that public notice was given in all the Toronto papers, morning and evening, during the past week.

MR. COMMISSIONER: This meeting this morning is to open the Commission and have it read and make arrangements for the future meetings—Mr. Nield read the Commission, which is dated February 12th, 1912, and directs the Commissioner to make an investigation "into all material and relevant facts in relation to:

"(*a*) The incorporation by Act of Parliament of the Farmers Bank of Canada and the organization thereof;

"(*b*) The application for and the giving by the Treasury Board of the certificate permitting the Bank to issue notes and commence the business of banking;

"(*c*) The conduct and operation of the business of the bank, the amount of the capital subscribed and paid up, the causes of the suspension and failure, the extent of the liabilities and the value of the assets thereof."

THE COMMISSIONER: As to the date of our next meeting I can give Tuesday and the following days of next week, and the week after next except Saturday.

MR. HODGINS: I suggest beginning on Wednesday of next week in Ottawa. The Order in Council speaks of incorporation, organization, application for, and giving of the certificate by the Treasury Board, and that evidence is available in Ottawa conveniently, and I hope that a session there of a day or two may finish that part of it up completely, and then the subsequent sittings might be held in Toronto.

MR. COMMISSIONER: Are there any persons here, or persons representing others, who desire to be present at the inquiry?

MR. WILLIAM LAIDLAW, K.C.: I would wish to mention I received two telephone messages this morning, one from the East and one from the West; the parties are on the train coming down and there has been some delay in the arrival of the railway trains.

MR. COMMISSIONER: You are appearing for whom, Mr. Laidlaw?

MR. LAIDLAW: I have been representing the contributories in the proceedings in the liquidation.

MR. COMMISSIONER: You desire to represent them here?

MR. LAIDLAW: Yes.

MR. COMMISSIONER: How does the date Mr. Hodgins suggest suit you?

MR. LAIDLAW: Excellently well; I entirely agree with the suggestion made by Mr. Hodgins.

MR. W. C MIKEL: I represent depositors. That date seems to be satisfactory.

MR. JAMES BAIN: I am here representing the liquidator.

MR. COMMISSIONER: What status has he?

MR. BAIN: Except possibly he will offer any assistance he possibly can.

MR. D. I. GRANT: I am representing a number of persons who have been served as directors and have been directors at one time and merely to watch proceedings. I do not know that we are interested particularly at this stage.

MR. COMMISSIONER: I suppose these delayed gentlemen will be informed of what has been done.

MR. LAIDLAW: They will come to the office and I will give them the information.

MR. COMMISSIONER: I think that is all we can do now.

MR. HODGINS: I think, Mr. Commissioner, for the information of some members of the profession who have spoken to me who represent people that they think may be affected in some way by these proceedings, that I see no objection for them coming in at any time when they think they are being affected and appearing; that it is not necessary for them to appear here to-day, that the idea to-day is only to ascertain who want to attend at their own expense during the whole inquiry.

MR. COMMISSIONER: I suppose there are no other questions that arise just now. How far these gentlemen who represent persons interested in the inquiry will be allowed to intervene can be disposed of later on as the occasion arises. I suppose that is satisfactory.

MR. LAIDLAW: Quite satisfactory. I may say, Mr. Commissioner, that I do not think from the experience I have had in this matter there will be anything in controversy; the relevant and material facts are almost all in documentary evidence. There are two or three witnesses whom the parties would like to be examined, and I will give their names so that necessary notices can go to them.

MR. HODGINS: I will be very glad if any gentlemen who have information will communicate it to me, and I will be glad to consider it and if necessary bring it before the Commissioner.

MR. LAIDLAW: I will give you a very full brief. (At this point Mr. H. H. Dewart, K.C., came in.)

MR. COMMISSIONER: Do you represent anybody, Mr. Dewart?

MR. DEWART: I was going to say, Mr. Commissioner, I am perhaps holding a watching brief at present.

The Commission adjourned to meet in Ottawa at 11 A.M. Wednesday, March the 13th, 1912.

Ottawa, March 13th, 1912.

The Commission resumed its sittings in the Court House, Ottawa, March 13th, 1913, at 11 A.M.

PRESENT:

THE COMMISSIONER, HONOURABLE SIR WILLIAM MEREDITH.
FRANK E. HODGINS, K.C., and J. THOMPSON, K.C., representing the Dominion Government.
WILLIAM LAIDLAW, K.C., representing the shareholders.
W. C. MIKEL, K.C. and I. E. WELDON, representing the depositors.

MR. HODGINS: The matters that I think can possibly be gone into here are in the first place, the incorporation by Act of Parliament of the Farmers Bank of Canada and the organization thereof, and application for and the giving by the Treasury Board of the certificate permitting the bank to issue notes and commence the business of banking, and possibly some evidence may be given as to the conduct and operation of the business of the bank so far as it came under the purview of the Department, and as to whether they affected the cause of suspension and failure is a matter that will be developed later. I therefore propose to take up in the first place the incorporation of the bank, which is largely formal.

MR. COMMISSIONER: What was it incorporated by?

MR. HODGINS: By an Act of Parliament of Canada, 4 Edward VII, Chapter 77, on the 18th July, 1904. That named the provisional directors: Mr. James Gallagher who has since died; John Watson of Listowel; John Ferguson of Toronto; Alexander Fraser of Toronto, and A. S. Lown. That provided that subject to the provisions of section 16 of the Bank Act it was to remain in force until the 1st July, 1911. I have some doubts as to whether that is the right date.

MR. LAIDLAW: It means the Bank Act continued till 1911.

MR. HODGINS: Then 4 and 5 Edward VII, Chapter 92, assented to on the 20th July, 1905, extended the time for the issue by the Treasury Board of the certificate to within two years after the 18th July, 1904, that is two years after its original incorporation, and if it did not get the certificate within that time the Act of Incorporation practically ceased. Then comes the last Statute, 6 Edward VII chapter 94. The passing of that is not given. That recites that the provisional directors of the Farmers Bank have by their petition prayed that it be enacted as hereinafter set forth. Then section 1 provides that notwithstanding anything in the Bank Act or the Statute of 1904 or 1905 the Treasury Board may within six months after the 18th July, 1906, give the said bank the certificate required by section 14 and in the event of not getting the incorporation by that date the rights and privileges by the Act of Incorporation should cease. I have Mr. Robideau here to produce papers connected with those incorporations.

MR. COMMISSIONER: Were they Acts?

MR. HODGINS: Yes, particularly with regard to 6 Edw. VII. I want to see the petition, because it is said at that time or shortly afterwards they transferred everything to Mr. Travers.

MR. COMMISSIONER: Mr. Henderson told me last night that he had been subpœnaed and his Parliamentary duties make it difficult for him to be here. He would like to be examined as early as possible. I told him you would no doubt facilitate that.

MR. HODGINS: Yes, I will do that. His evidence is confined to one branch of the case, and if you would like it taken now I can take it.

MR. COMMISSIONER: Very well, now.

DAVID HENDERSON, sworn, examined by—

MR. HODGINS: You are a Member of Parliament?

A. Yes, sir.

Q. And you were a Member of Parliament in 1906?

A. Yes.

Q. Representing the County of Halton.

A. Yes, sir.

Q. You became somewhat interested, I understand, in some matters connected with the organization of the Farmers Bank; I mean, interested to the extent of hearing and knowing about them?

A. Yes, I was present; do you mean the granting of the charter?

Q. About that time?

A. Yes, I was familiar with it from its inception.

Q. You never were financially interested one way or the other?

A. No, in no way; not personally.

Q. Your interest was in what sense?

A. Simply that I represented a county in which a very large amount of money had been subscribed in stock, and in that way I felt interested for the people I represented.

Q. This being called the Farmers Bank?

A. Well, it was so called, though practically it was not organized by farmers.

Q. Were you a member of the Banking Committee of the House of Commons?

A. Yes, sir.

Q. Do you remember the fact that an application for extension was made on two occasions, in 1905 and 1906?

A. There were two occasions at any rate, if not three; two occasions; perhaps the first one would allow a year to apply for a certificate, and there would be two applications after that.

Q. The last application that I know of is contained in the Statute, 1906, which gave six months?

A. Yes.

Q. Do you remember that coming up in the Banking Committee?

A. Yes, it was limited to six months.

Q. Do you remember why?

A. Why it was limited?

Q. Yes?

A. We had in the Banking and Commerce Committee hesitated a good deal about extending the time; the Finance Minister objected very much, and I confess I concurred with him, usually supported him in that; and on the second occasion when they came back, we simply gave them six months, thinking as they had had two years it was not well to keep the matter dangling before the people longer, and the time was limited because we thought they should have been more active.

Q. Was anything known as to who was interested in the bank at that time?

A. Well, I knew nothing about it, I think, beyond the names of the provisional directors as published.

Q. Did any one appear before the Committee in order to urge this extension?

A. Now, I am not sure, I do not recall.

Q. Do you know who suggested limiting the time to six months?

A. I could not speak at this date; it may have been Mr. Fielding, or perhaps myself. I had adopted a policy of that kind—we had—the Committee had—adopted a policy of that kind, I think, with some previous charter.

Q. Was any inquiry made into the particular circumstances of the difficulty these people had in organizing?

A. I am not aware that there was any particular inquiry, the simple fact they had not succeeded in getting all the money; they asked for more time.

Q. They had six months, from the 18th July, 1906; probably about six months from the date it came up?

A. It was six months from the expiry of the previous year.

Q. After that, did you take any steps in connection with the organization of the Farmers Bank or with reference to it?

A. No, I think I could say none whatever.

Q. That is, you had nothing to do with the matter from that time.

A. No.

Q. Did you make any communication at all at any time to the Finance Department with reference to it or to any one connected with the Finance Depart-

ment? A. I had a conversation with the Hon. Mr. Fielding with reference to their mode of raising money.

Q. Had you known about that yourself? A. I incidentally learned it a few days before I went to him that they were discounting the notes which had been taken from shareholders.

Q. They were discounting the notes; did you know anything more than that? A. I was shown several notes made by shareholders, farmers in my county, and I saw on the back of these notes the endorsement of the provisional directors.

Q. That would be several names, would it? A. Yes, there were several names.

Q. How did you see those? A. A few days before the House met; the House met that year, I think, on the 22nd of November—a day or two days before I had occasion to go to Milton, from where I lived in the village of Acton, and on my way I met the solicitor of a number of farmers who had contested their liability to pay their stock, feeling that something was wrong.

Q. Who was the solicitor you met? A. Mr. Laidlaw.

Q. Where were you going from when you met him? A. I was going from home, from the village of Acton, by way of Georgetown to Milton.

Q. By rail? A. Yes.

Q. Did you meet him? A. Just met him casually in the car.

Q. Had he the notes? A. Yes, he showed them to me.

Q. That would fix the time at which you acquired your first knowledge?

MR. COMMISSIONER: He has not mentioned the year yet.

MR. HODGINS: Can you fix the date at all to that? A. I can fix it by reference to other matters, I said the House met that year on the 22nd November.

Q. What year was it? A. 1906; the House met that year on the 22nd November, and it would be a short time before that, perhaps not more than a few days.

Q. What communication did you make then, and to whom, in consequence of what you saw and heard from Mr. Laidlaw? A. I casually met Mr. Fielding and informed him that I had seen notes of shareholders in the possession of Mr. Laidlaw, endorsed by provisional directors, and presumably it was for the purpose of raising money to make the deposits, as the time had nearly expired. Our conversation lasted only for a few minutes and was along that line.

Q. Can you give us in any more detail what was said by you and by him, or is that what you have told us the general tenor of it? A. By Mr. Fielding?

Q. Yes? A. I mentioned the circumstance which I have detailed to you, and Mr. Fielding, I think, seemed somewhat surprised; at any rate, he answered me by saying that he would hold back the certificate as long as he could.

Q. Would you look at this note, which I find in the Department's file, just for the purpose of seeing whether you can state what endorsements were on the notes you saw? A. I could not state what endorsements were on the notes, but I remember there were several; that was the impression I had, although I had not seen the notes for five years; that is the impression I had, a series of endorsements like that.

Q. You could not recognize and give the names of the men? A. No, I could not say who were the provisional directors at that time.

Q. You had no further conversation with Mr. Fielding at that time? A. No, I have given you just the conversation we had; I don't think it lasted more than two or three minutes at the outside.

Q. How soon after your coming down to Ottawa was that? A. I would assume, I have no absolute data, but I would assume it would be within three or four days at the furthest, within a few days; I may mention this as fixed in my memory, I knew it was before the granting of the certificate, because Mr. Fielding told me he would hold it back as long as he could, and it was after the House met;

the House met on the 22nd, the certificate was granted about the 30th, so it was between the 22nd and the 30th; I would suppose I went to Mr. Fielding possibly within a day or two at the outside after I came down.

Q. Were you communicated with either by Mr. Fielding or any one at the Finance Department between the date of that conversation and the 30th when the certificate was issued? A. No, sir.

Q. Were you in attendance in Parliament during that time? A. I was in attendance all the time, but after the certificate was granted I was communicated with but not before.

Q. How soon after the certificate was granted can you say did you have any communication? A. I met Mr. Fielding in the lobby of the House of Commons, he was either going in and I was going out, or I was going in and he was going out, I don't remember which, but I remember very well it was in the lobby of the House of Commons and Mr. Fielding approached me himself and he said to me that Mr. Travers had been down; that was the communication he made to me.

Q. What occurred then, what further was said? A. He stated that Mr. Travers had been down and he had brought his money; that he had asked him, that he had put it up to him—he did not say definitely what he had put up to him; he left me to assume on account of our conversation within a few days before that it was what I had told him—and that Mr. Travers had denied it, and he asked him to give him a letter to that effect and he said he did so; and he says, "I then gave him the certificate."

Q. You have known Mr. Fielding for a long time? A. I have known him for over 15 years.

Q. Were you and he friendly? A. Very friendly.

Q. After that had you any conversation with Mr. Fielding in connection with another aspect of the Farmers Bank? A. Not for about two years after that; I met Mr. Fielding again and he spoke to me. I assumed he had done so, because I had impressed upon him in the first visit the reason why I felt so anxious about the Farmers Bank, the large amount of stock subscribed in the county, and Mr. Fielding I should say about two years after my first interview met me just casually and mentioned the fact that he had learned that the bank was peddling around a deposit receipt of $150,000 in New York and failed to get a purchaser and he thought it looked very bad for the bank.

Q. Was there any reference to any other transaction? A. No reference whatever in none of these conversations.

Q. I say to any other transaction than the $150,000? A. Not at that time. We had a conversation the latter part of 1910 before I left to go home after the prorogation.

Q. What was the date of the $150,000 deposit conversation? A. My own impression is, and it is only an impression, that it would be about two years after the first interview. The bank had been running for some time.

Q. Did you ever hear of any transaction in connection with the City of Syracuse or an institution there? A. Yes.

Q. Was that on the same occasion or on a later occasion? A. That was on a later occasion.

Q. In 1910? A. Yes. On that occasion I went to Mr. Fielding's room in the House of Commons, to his office, to see him personally. I had information that there was something of a very peculiar character which seemed to me would materially affect the bank's interests, and its standing, and I felt, as I said before, very naturally worried and anxious about it and I called on Mr. Fielding and told him what I had learned. He was familiar with the facts himself, as much so as I was, and after chatting a few moments about it he turned to me and said, "Well Henderson I don't know why you should worry over this; you are not responsible for it and besides you did warn the Government."

Q. I just want to identify the transaction you and he were discussing then; where did it take place? A. You mean the later conversation?

Q. Yes? A. I called at his office and informed him—the fact of it was I had some clippings from newspapers giving an account of this transaction.

Q. Where did that take place? A. This conversation?

Q. No, this transaction, was it in the head office? A. I assumed it had taken place in Syracuse.

Q. Do you remember any of the names connected with it; I want to identify your conversation with the transaction which we may give in evidence later on? A. I am not sure that I can; I am under the impression strongly that Mr. Travers name was connected with it.

Q. Was it in connection with an insurance company in the United States? A. Yes, Syracuse was where—

Q. Would you recognize the name Tevis or Hunt? A. I think the name Tevis would be mentioned in these newspaper clippings.

Q. One of my learned friends wishes me to ask you whether on the very first occasion of all when you spoke to Mr. Fielding before the granting of the certificate, you communicated any of your reasons to him beyond what you have told me? A. I think I have told you all the reasons that I had for making the inquiry. It was the fact that a very large amount of money had been subscribed in the County and a great many people whom I know who were living in the County were deeply interested. That was the nature of the reasons why I brought the matter to his attention.

MR. COMMISSIONER: Why did not you put in writing your warning? A. Well, we do not always put everything in writing that we say to a Minister. Sometimes it is safer not to put it in writing; that is my experience. It did not occur to me at the moment to put it in writing, besides I think I simply met him casually; sometimes these things are given out to the public, but into other hands sometimes to the detriment of the Member of Parliament. They might say it was undue interference on my part. However, my own impression is I met Mr. Fielding casually, this matter was in my mind, and I just simply mentioned the matter to him, told him what I knew about it. Of course being Finance Minister I did not require to put it in the shape of a warning, because he knew the effect of a thing of that kind. It did not occur to me at the moment the necessity of putting it in writing; I thought that he was the man that if he had the knowledge that that would possibly be as far as it would be necessary for me to go, he having control practically of the issue of this certificate, and being the chief member of the Treasury Board.

MR. COMMISSIONER: What did you expect Mr. Fielding could have done at the time you had these later conversations with him? A. I did not really expect anything; I thought the whole fat was in the fire, if I may so use the expression. Mr. Fielding approached me himself on the second occasion and told me that Mr. Travers had been down with his money and how he had asked him for a letter after receiving his denial and that he had given him the certificate. On the third occasion Mr. Fielding also approached me and spoke of the matter himself. It was only on the first and last occasions that I went to Mr. Fielding. On the latter occasion I went to Mr. Fielding to express to get his views perhaps or to make him aware of what I had been made aware of myself, and I found he had more knowledge, as much knowledge at any rate as I had; so that I did not expect to accomplish anything in these interviews.

MR. COMMISSIONER: You say that Mr. Fielding said that he would hold back the certificate as long as he could? A. Yes, your Lordship.

Q. What does that mean, did you not make any inquiry as to what he meant by that? A. No, I did not because I thought I understood what he meant by it. He had the power within his hand to hold back the certificate unless everything was satisfactory, and I simply accepted that answer knowing the official position

which he held as the Chairman of the Board, and did not ask him for any explanation of what he meant by those words.

Q. You say that upon the last occasion he told you not to worry, that you had warned the government; did you not say anything upon that? A. I do not recall anything further that I said. He acknowledged that I had done my part, that I had warned the government and said that I should not worry. I saw nothing more that I could accomplish and I am not aware that I made really any reply to that. I would simply say that our interviews were all extremely brief. You know how it is interviewing a Minister sometimes. You have to be very careful and not monopolize his time too much.

MR. HODGINS: I would like to call Mr. Laidlaw just for the purpose of fixing the date of that interview between himself and Mr. Henderson.

MR. COMMISSIONER: Is not that fixed with sufficient particularity now without calling one of the counsel? He fixes it within two or three days.

MR. HODGINS: Very well, then.

NARCISSE ROBIDEAU, called on subpoena.

MR. HODGINS: Q. I just want to know whether you have the papers of the incorporation of the Farmers Bank? A. All I have are the minute books and an extract from the minutes.

Q. What are those minutes? A. The minutes show what was done with the Bill in the committee room.

Q. Are you speaking of the minutes of the Banking and Commerce Committee?

MR. COMMISSIONER: What is Mr. Robideau's official position? A. Clerk of the Banking and Commerce Committee.

MR. HODGINS: All you brought with you this morning are the minutes? A. The minute books.

Q. Is there any minute kept of the last statute 6 Edward VII, chapter 94, the extension for six months? A. Yes. (Indicates.)

MR. COMMISSIONER: Who was Chairman of that committee? A. Mr. H. H. Miller was the Chairman.

MR. HODGINS: I think this memorandum might go in; it is just an extract from the minutes of the Committee. There is no matter about the first two. The last is dated the 11th of May, 1906;

"The preamble was read and adopted after Mr. Urquhart, of Toronto, had been heard thereon.

"Section 1 was amended by substituting 'six months' for one year on line 5."
—Extract from minutes of Banking and Commerce Committee, filed as EXHIBIT 1.

MR. HODGINS: Will you tell me if there was a petition presented before that last Act of 1906? The Act itself says that the provisional directors by their petition have prayed that it be enacted. A. There must have been a petition.

Q. Who will have that petition? A. It would be in the custody of Mr. Colwell, the keeper of the records.

Q. Could you get it?

MR. COMMISSIONER: Get a certified copy.

MR. HODGINS: A certified copy could be got of that? A. Yes.

Q. Would that be the only paper that would come before the Committee other than the formal paper of advertising and so on. A. Yes, the notice of application would come before the Standing Orders Committee.

Q. Is it usual to have the petition sworn to? A. No.

Q. Just a petition signed? A. Yes.

THOMAS BEATTIE, sworn, examined by—

Mr. Hodgins: You are a Member of Parliament? A. Yes.

Q. For London, Ontario? A. Yes.

Q. And were you a Member of Parliament in 1906? A. I think I was, I am not very certain.

Q. Were you a Member of Parliament in 1904 and 1905 as well? A. No, I don't think I was.

Q. You were at that time President of the London City Gas Company? A. Yes.

Q. And Director of the Agricultural Savings and Loan Company of London? A. Yes.

Q. In the papers which I propose to put in in connection with the Farmers Bank, there is a prospectus which makes the following statement:

"The following gentlemen have consented to act as Directors if elected"—then after the name of his Honor Mr. Forget comes the name of Major Thomas Beattie, President of the London City Gas Co., and so on—would that refer to you by description? A. I think it would.

Q. Had you ever agreed or consented to act as Director, if elected, of the Farmers Bank? A. I never agreed or consented. Perhaps, if I just tell how it came about it would be better. One Sunday night, I think about 10 o'clock, in my house I was called to the telephone to speak to Toronto. The gentleman speaking said it was Mr. Travers. I knew Mr. Robert Travers, who was Manager of the Bank of Montreal in Peterborough. He was in London for many years. He was then in Almonte at that time, and I thought I was speaking to Mr. Robert Travers. He said he was getting up a new bank, and asked me if I would join with them, and I told him I might if there were parties associated that I would approve of; and that is all at that time until Monday morning before I had had breakfast a party came to my house, ready for me to sign. The thing was done so sharp it aroused my suspicion.

Q. Before breakfast? A. Yes. The telephone was on Sunday night, and this was on Monday morning, and it roused my suspicion and I said to the party, what is the hurry about this? I said, "When did you leave Toronto?" He said he left Toronto just after I spoke to Mr. Travers. I said, "When did Mr. Travers leave the Bank of Montreal?" He told me Mr. Travers was never in the Bank of Montreal; and then I discovered I had been speaking to a man I did not know; and I hesitated about doing anything, and I went down to the Merchants Bank, where I found Mr. Travers had been employed, and the reputation I got of him was such that I concluded I had better have nothing to do with him, and I went back and told the gentlemen I would not sign any papers; and I found at that time he had issued a prospectus; he had used my name without any consent of mine whatever. I had several parties write me about my name on the prospectus, and I wrote them saying I had nothing to do with the bank and did not intend to have.

Q. Do you know who this was who came to see you on Monday morning? A. Yes, a man named Lindsey.

Q. W. J. Lindsey? A. Yes.

Q. When did you tell him that you would have nothing to do with it? A. It was on Monday morning after I had been down to the city.

Q. That same morning? A. Yes.

Q. I understand he wanted you to sign some stock subscription? A. Yes.

Q. Did he discuss with you your becoming a Director or merely taking stock? A. I could not be certain whether he discussed with me or not, he wanted me to take stock.

Q. There was no authority for the use of your name as director? A. Not at all, he simply came there and I think he told me they would have to be in a great hurry, because they were anxious to get the bank going, and that is the reason he came so early.

Q. Can you fix the date at all? A. No, I don't think I could.

Q. Can you fix the year? A. I do not know that I can do that: it was before the bank started at all, before any meeting of stockholders, because he came to London some three different times to see me and wanted me to subscribe for $5,000 of stock, that he would make me President of the bank.

Q. This conversation was the first time you had any interview? A. Yes.

Q. How long after that was the first meeting of shareholders? A. It was some time after that. The first meeting of shareholders, I could not tell the date, but it was before the meeting of Directors.

Q. Could you give us information as to the date? A. No.

Q. Was it the same year? A. I think it was the same year.

Q. That the bank got its certificate? A. Yes, it was.

Q. Were you a Member of Parliament in 1906, were you in Parliament in 1906? A. I cannot tell you without looking over the records. It was the time Mr. Hyman resigned that I came back that year.

Q. Perhaps you could give me that later when you were there and whether you were attending that session that began the 22nd November, 1906? A. I can get it for you.

Q. You had no further connection with the matter? A. I had no further connection with the matter whatever; they simply made use of my name and put it in the prospectus and said I had consented to be a director if elected and I had no stock and could not state that at all.

SYDNEY FISHER, Sworn, Examined by—

Mr. Hodgins: You were one of the Ministers in the late Cabinet? A. Yes.

Q. Minister of Agriculture? A. Yes.

Q. In 1906? A. Yes.

Q. Were you a member of the Treasury Board? A. I have been a member of the Treasury Board, but I would not like to give definite dates as to when I went on the Board. I was a member of the Board once or twice at intervals when other members of the Treasury Board were absent from Canada, taking their place, and then eventually I went on the Board permanently, but I could not say what dates. Mr. Boville can tell you. What date do you mention?

Q. November, 1906? A. I think I was a member of the Treasury Board but I am not certain.

Q. How many members did the Treasury Board consist of? A. Five.

Q. Five and the Minister of Finance? A. I think so.

Q. Which would make six in all—

MR. T. C.BOVILLE: I find immediately before and immediately after this meeting Mr. Fisher was a member of the Treasury Board.

MR. HODGINS: I am proposing to put in on Mr. Boville's examination an abstract from the minutes of the Treasury Board held in Ottawa the 30th of November, 1906; have you any recollection at all of that meeting, the one in which the Farmers Bank certificate was directed to be issued? A. No, I do not think I was present. The Farmers Bank question was drawn to my attention later on, and my memory is I was not present when the certificate was issued.

Q. You probably would remember the granting of a certificate for a bank to go into operation? A. I think so.

Q. Was there any regularity in the calling of the meetings of the Treasury Board, any formality about it? A. The members of the Treasury Board received a notice from the Secretary of the Treasury Board.

Q. Would you be able to say whether that was a meeting of which you had notice but did not attend it? A. If I did not attend it was probably because I was away from Ottawa, and the notice would go to my office and no further attention would be paid to it.

Q. At all events they were formal calls? A. Usually, not invariably; occasionally the Chairman would give us verbal notice and say "I have to have a meeting of the Treasury Board;" and he might say to meet him at a certain time.

Q. When the meetings were held, were minutes kept of the meetings? A. Yes.

Q. Who was charged with the duty of keeping minutes? A. Mr. Boville was the Secretary of the Treasury Board.

Q. He would record who were present and the business transacted? A. Yes, I think it was the practice to record who were present, I would not be positive as to that, because I never examined any of the minutes.

Q. If he did not, how would any record be kept of the action of the Treasury Board? A. He would keep minutes of what business was transacted. I only say I am not sure that he recorded who were present.

Q. Speaking for the moment on the question of there being six members on the Treasury Board, now would the minute show at all as to how many were present? A. I would suppose, speaking only as a supposition, because I never examined the minutes, that the minutes would declare there was a duly authorized meeting of the Treasury Board.

Q. Was there any effort made to keep up a quorum or was that matter ever decided by the committee to your knowledge as to how many would form a quorum of the Treasury Board? A. Yes, there was a definite quorum.

Q. Do you remember how many that was? A. I think it was four, perhaps three, including the President and Chairman.

Q. Three including the Minister of Finance, or three together with the Minister of Finance? A. I think three including him.

Q. That would only be three out of six? A. Yes.

Q. Was it your practice to sign minutes in any way? A. Not for the members; I won't say the Chairman did not.

Q. Was it your custom to sign any memorandum at all of the minutes of the meeting or verifying the business done? A. No, I never did it.

Q. Have you the minutes of that meeting Mr. Boville?

MR. BOVILLE: Yes. (Produces minutes.)

MR. HODGINS: I produce, Mr. Commissioner, and will put in a copy—

MR. COMMISSIONER: You had better put that in afterwards and direct your questions to Mr. Fisher.

MR. HODGINS: "Ottawa, 30 November, 1906. Present: Hon. W. S. Fielding, Minister of Finance, Chairman; Right Hon. Sir Richard Cartwright, Minister of Trade and Commerce; Hon. L. P. Brodeur, Minister of Marine and Fisheries.

"The Board had under consideration application made by the Farmers Bank of Canada under the provisions of the Bank Act for the issue by the Treasury Board of a certificate permitting the said bank to issue notes and commence the business of banking. It having been shown to the satisfaction of the Board that all the requirements of section 15 of said Act had been complied with, the Board authorized the issue of the certificate applied for.

Signed, "W. S. Fielding, Chairman."

That does not show your presence there; may I take it that you as a member of the Treasury Board had no knowledge of the correspondence with the Finance Department which they then had, or the information which was in their possession on the 30th November? A. I had no knowledge.

Q. Had there been a previous meeting of the Treasury Board say in October or November at which you were present in which the Farmers Bank matter came up at all? A. I do not remember any meeting of the Treasury Board in which I was present that the Farmers Bank matter was discussed.

Q. I am putting in from the Department file this document, which is an extract from the minutes of a meeting, with the initials of the three gentlemen who are said to have been present that day upon it, and I show it to you, just to ask you if that is in accordance with the practice where a meeting has been regularly called and held? A. Yes, these signatures were put on the Treasury Board reports to Council.

Q. Always? A. Always, at any rate—

Q. Is that a report to Council? A. This is a minute; yes, I would call this a minute of the Treasury Board for Council.

Q. Then were the minutes of the Treasury Board always reported to Council? A. The Treasury Board had to report to Council for action of the Council.

Q. But if they had not to report a matter on which Council had to act would they report? A. No.

Q. Would you think the Council had to approve of the issue of this certificate? A. No, the Treasury Board had power to issue the certificate without the report to Council.

Q. Would that make any difference? A. That may mean that that was simply an adoption of the minute of the Treasury Board by the Treasury Board.

Q. I just called your attention to it to know whether it was in accordance with the practice so far as you knew it, that the members of the Treasury Board should initial the minutes where apparently from the book it would appear that they had all attended and passed the resolution; you say the initials were appended in your knowledge to reports or minutes sent to Council for their action? A. Yes.

Q. And in that case only? A. I would not say in that case only; I am not certain, I do not remember now positively whether we were in the habit of initialling the action of the Treasury Board in itself or only the reports to Council.

Q. You are not able to speak? A. No, I would not like to say positively one way or the other on that.

THOMAS COOPER BOVILLE, Sworn, Examined BY MR. HODGINS.

Q. You are Deputy Minister of Finance? A. Yes.

Q. And did you occupy that position in 1906? A. I was appointed on the first November, 1906.

Q. Then prior to that what was your position? A. I had been Secretary of the Department of Finance.

Q. It was a step up on the first November? A. Yes.

Q. Had you occupied the position of Secretary long? A. Not very long, for a few years.

Q. To which of those offices appertains the duty of keeping the minutes of the Treasury Board? A. The Deputy Minister of Finance is also Secretary of the Treasury Board.

Q. Had you begun to keep them on the first November, 1906? A. Yes.

Q. Who would have kept them prior to that? A. My predecessor Mr. Courtney. He was also Deputy Minister of Finance and Secretary of the Treasury Board.

Q. Before we get into your file that you produce here, can you tell me if there is a quorum of the Treasury Board? A. Yes.

Q. How is that fixed? A. Established by Order in Council.

Q. Passed do you remember when? A. It was before 1906.

Q. Is it of long standing? A. Yes.

Q. Does that Order-in-Council provide that the Minister of Finance shall be a member of the quorum? A. No.

Q. The Treasury Board consists of the Finance Minister and six other members? A. Five other members. The members of the Treasury Board, outside of the Minister of Finance, are appointed by the Order-in-Council. The Treasury Board at that time consisted of the Minister of Finance and four others who were appointed by Orders-in-Council.

Q. Can you give me their names? A. Mr. Fielding—I was speaking from memory, not from definite record.

Q. Have you a record there? A. The Orders-in-Council will give you exactly, but I will speak from memory, and I think I am correct: Mr. Fielding, Chairman; Sir Richard Cartwright, Mr. Paterson, Mr. Brodeur and Mr. Fisher.

Q. And that would only make five all told? A. Yes.

Q. I understand from Mr. Fisher that six was the number? A. The formation of the Treasury Board is statutory.

Q. Does not that say six; that is my impression? A. Section 9 of Chapter 23, Revised Statutes, "There shall be a Board, to be called the Treasury Board, consisting of the Minister of Finance and any five of the members belonging to the King's Privy Council, to be nominated from time to time by the Governor-in-Council."

Q. One would naturally suppose there were six members? A. Yes.

Q. And who was the sixth? A. I don't think there was any sixth.

Q. Where would we go to find out? A. The Orders-in-Council. I can give you copies of the Orders-in-Council; I can get them from the Clerk of the Council.

Q. You have minutes of the Treasury Board here, would you mind turning them up and let me see the October minutes? A. (Produces Minute Book.) Before you go into that it would be wise for me to explain the method.

Q. I will no doubt ask you that. I do not want to look into any of these matters that do not concern me, but perhaps you will look over that and say just what meetings there were in October.

MR. COMMISSIONER: Do you mean in reference to this bank or generally?

MR. HODGINS: Generally.

A. On the 26th October; 17th October; 13th October; 4th October; 21st September.

Q. That will be sufficient; who were present at those meetings? A. The 21st September, Fielding, Paterson and Brodeur; 4th October, Fielding, Brodeur and Fisher. The 13th October, Fielding, Cartwright and Paterson. The 17th October, Fielding, Cartwright, Paterson and Brodeur. The 26th October, Cartwright, Paterson and Fisher.

MR. COMMISSIONER: Mr. Fielding was not there? A. No.

MR. HODGINS: Mr. Fisher was a member then during those two months? A. Yes.

Q. Is there any mention in any of those you have gone over prior to the 30th November of the Farmers Bank? A. None at all.

Q. You have carefully compared them in order to see? A. Yes.

Q. The minutes of each of these, who would have kept them from the 1st November? A. I probably was in charge of the Department at that time in October; I was probably acting at that time.

Q. Whose handwriting are they in? A. Different clerks' handwriting.

Q. You were in charge, Mr Courtney having left? A. Practically left at that time.

Q. And you would then be responsible for the minutes? A. Yes.

Q. In what way were those minutes kept, taking the October minutes; there seemed to be a good deal of business transacted? A. A great deal. Almost the whole of the minutes represent reports which are passed upon by the Board and are recommended for action by the Privy Council.

Q. Probably nine-tenths? A. Probably more than nine-tenths—99%.

Q. What is the residue? A. The residue was cases such as this kind.

Q. Which kind? A. Cases that required the action of the Treasury Board only.

Q. That would be the remaining 1%? A. Yes, very small.

Q. That does not tell me how the minutes are kept of the meeting; does the Treasury meet around the table? A. As a rule.

Q. You as Secretary would be there? A. Yes.

Q. And these reports come in through you? A. The reports usually come to the Board in the shape of papers, recommendations from the different Departments and so on, they are dealt with.

Q. They are presented to the Board and dealt with by them? A. Yes.

Q. How is the record kept? A. Then under my direction a precis was made of each recommendation, and these are gathered together and placed in one report, signed by the Minister of Finance and sent on to Council.

Q. That precis would only be a sort of condensed statement of the report. A. Yes, of the action taken by the Board on these respective cases.

Q. The reports themselves are presented to the Board? A. Yes.

Q. And reports then go back to you as Secretary—

MR. COMMISSIONER: Are we very much concerned in these that have nothing to do with the action of the Treasury Board?

MR. HODGINS: We are getting the practice.

MR. COMMISSIONER: I do not think it is worth while.

MR. HODGINS: Is there any difference in treatment between cases where the Treasury Board have not the power to take final action, where they report to Council and where they take final action? A. In the one case the report of the Treasury Board, signed by the Minister of Finance, is sent to the Privy Council: in other cases the precis of the cases is prepared and either attached on the file or kept by themselves and finally copied into this book; that is one of them.

Q. Finally copied into this book? A. Not finally, but ultimately.

Q. I suppose this 30th November minute is a copy from somewhere else? A. A copy from the document under your hand.

Q. A copy from the document which I have here with printed top, "Extract from the minutes of the Meeting —— A. That is a draft.

Q. Which is a draft? A. You see it is a draft underneath.

Q. You said it was a draft, which is a draft? A. The copy underneath is a draft.

Q. But the document itself you said a moment ago was under my hand is what? A. The final document of the Treasury Board.

Q. I want a little explanation about this; that is not written out, it cannot be written out while the Board is sitting, because it is typewritten? A. No.

Q. Is there any way in which you take minutes of what they do when they are sitting? A. I may take a rough memorandum on a slip of paper of those who are present, and then the cases of this kind you will find the papers are all submitted to the Board, and on the back I may take a rough memorandum of Yes or No; ultimately preparing the minute.

Q. Have you a recollection in this case of what you did? A. In this case the draft was prepared, the papers had been gone through and a draft minute was prepared for Mr. Fielding for his use. That he took with the papers, and it was ultimately returned to me with the initials on it as a minute of the meeting, and these initials on the corner are my certificate, so to speak, of those who were present at the meeting, where I am not present myself.

Q. So far as you know, there was no meeting? A. I was not present at a meeting.

Q. Will you say there was a meeting A. I do not know; I will give you my impression.

Q. I am not asking for impressions; would you say this minute in that book, page 458—I think you have told us that that is the final— A. Ultimate rescript.

Q. That would be prepared from this minute which bears the initials in the corner? A. Yes.

Q. And so far as you are concerned you were not present at a formal meeting? A. No.

Q. That is all I want to ask you about that. You said a minute was prepared for Mr. Fielding. This document, which I suppose might go in by itself as EXHIBIT 2—perhaps the whole file might go in.

MR. COMMISSIONER: We must get certified copies of them; I do not want originals. Certified copies will answer all the purpose.

MR. HODGINS: I may say a Return has been printed by the House of Commons which contains quite a number of these, and I shall be glad to put that in if we can find anyother copy, with certified copies of the additional documents I may want, and perhaps the Registrar will take a note of the documents I want copies of. I will want a copy of the Minute of November 30th, 1906, of the Meeting of the Board, the extract. This, which will be EXHIBIT 2, is signed by you. It is an extract from the minutes of the Meeting of the Treasury Board held in Ottawa on the 30th November, 1906: "The Board had under consideration an application made by the Farmers Bank of Canada, under the provisions of the Bank Act, for the issue by the Treasury Board of a certificate permitting the said Bank to issue notes, and commence the business of Banking. It having been shown to the satisfaction of the Board that all the requirements of section 15 of the said Act had been complied with, the Board authorized the issue of the certificate applied for." That was prepared by whom? A. By myself.

Q. On the 30th November? A. Yes.

Q. Prior to its containing these initials? A. Yes.

Q. You prepared it and handed it to whom? A. To Mr. Fielding.

Q. Returned to you the same day? A. I think so; I think I am correct in saying yes.

Q. You have a memory of that day? A. There is other action which would depend on that.

Q. That is the action you refer to? A. The return of the deposit; it would not be returned until that was returned to me.

Q. Are you quite sure of that? A. Yes.

Q. Have you any memory apart from that? A. No, not apart from that, but I am quite sure of it.

Q. You are quite sure that you would have got this back before returning the money? A. Quite sure.

Q. The money was returned that day? A. Yes, the receipt for the money is on that file.

Q. What did you hand Mr. Fielding at the time you handed this? A. That draft minute with all the papers; he would have that and all the papers.

Q. Are you prepared to say that as a matter of recollection? A. That is a matter of practice, and I am perfectly certain of it.

Q. Mr. Fielding is not here? A. No.

Q. Where is he? A. I understand he is in London with his widowed daughter at the present moment.

Q. Are you prepared to say that you handed him all the papers with that minute? A. Yes.

Q. Without qualification? A. Without qualification.

Q. Will you tell me what you refer to as "all the papers"? A. If you will give me that file I will show you.

Q. May I ask you for your recollection first?

MR. COMMISSIONER: I do not think you should treat Mr. Boville that way; I think he has a right to see it.

MR. HODGINS: If you so rule.

MR. COMMISSIONER: I do so rule. A. It is the application with the affidavit and the papers accompanying the affidavit.

MR. HODGINS: Look at the file now? A. (Looking at the papers). Yes, the application, the affidavit with the accompanying exhibits.

Q. Whose affidavit? A. The affidavit of Travers.

Q. The application, the affidavit of Travers with the accompanying exhibits, and what else? A. The correspondence with the Department of Justice.

Q. What do you mean by the correspondence, give us the dates please? A. 28th November, to Mr. Newcombe, and Mr. Newcombe's reply of the same day.

Q. Have you looked through the file? A. Yes.

Q. Have you told me all that you handed Mr. Fielding? A. Yes.

Q. Do you remember when you handed them to him that day? A. I could not remember the particular hour of the day.

Q. Think over the matter, you must remember, the whole of the transaction occurred on the 30th November, and that is the date of this minute? A. It occurred amidst other items of business during the day.

Q. Do you recollect what time of day you handed these papers to Mr. Fielding? A. I could not say.

Q. Is it your duty to give careful attention to the details? A. Yes.

Q. And Mr. Fielding would assume you had handed him all the papers that were of importance? A. Yes.

Q. Had you taken any interest in this matter before the 30th? A. Yes.

Q. Had you communicated to Mr. Fielding the correspondence that had reached the Department prior to that? A. What correspondence?

Q. Any correspondence about the Farmers Bank? A. I had communicated all the information I had in my possession.

Q. That would include correspondence which came in connection with the Farmers Bank prior to the 30th November? A. Yes, if any.

Q. I have shown you the file, do you qualify it by saying "if any"? A. There was not any.

Q. No correspondence connected with the Farmers Bank prior to the 30th November? A. You mean outside of the Farmers Bank or with the Farmers Bank?

Q. Concerning the Farmers Bank? A. There is a letter I think you will find of mine to Travers about the nature of the documents he submitted.

Q. Is that all? A. That is all I recollect.

Q. Perhaps you can tell me what letter that is on the file, was it the letter of the 21st October, what sort of a letter is it? A. It is with regard to the amounts paid in by each subscriber.

Q. Is it the one probably of the 21st November—I said October—is that the one? A. Yes, that is it.

Q. Are you entirely right when you say that is the only other letter? A. The only one I have any memory of.

Q. And that letter is referring to your letter of the 23rd October making a deposit under section 13 of the Bank Act? A. That is the deposit of the $250,000.

Q. No doubt; of the sum of $250,000—"I have no doubt that you will be applying very shortly for a certificate under section 14 to commence business. In the papers to be submitted to the Board in support of the application there is a list of bona fide subscribers of capital stock of the Bank showing subscriptions to the extent of $500,000. Would you be so good as to have added to this list for submission to the Board a statement showing the actual amount of cash paid up by each subscriber (Signed) T. C. Boville, Deputy Minister of Finance." That is the letter you refer to? A. Yes.

Q. Is that a usual letter to write? A. No, it is not.

Q. Why was it written? A. On account of the rumours that had come to the Department that there might be some action taken by those who were making the application for the certificate looking to obtaining part of the cash by indirect means rather than by cash subscriptions from the shareholders themselves.

Q. These were rumours only? A. Yes, rumours only.

Q. Had these reached you yourself or had they reached Mr. Fielding? A. They had reached Mr. Fielding, they had reached myself and there had been a suit started in Toronto, if I recollect right, which looked to that kind of thing.

Q. The department had official knowledge of that suit? A. Yes, we had a letter from the lawyer in the case.

Q. Anything more than that? A. A request not to take action.

MR. COMMISSIONER: Is that letter there? A. That letter is on the files.

MR. HODGINS: Not only rumours had reached you, and you think Mr. Fielding, but a letter, was it from Mr. McCarthy? A. Yes, of the 19th October.

Q. Enclosing copy of a writ? A. Yes.

Q. With the endorsement? A. Enclosing special endorsement on writ of summons.

Q. I am instructed that Mr. William Laidlaw's affidavit accompanied that? A. The papers were asked to be returned, so that I have not got it before me.

MR. COMMISSIONER: And were returned? A. Yes.

MR. HODGINS: Can you, looking at that file or otherwise tell me whether that affidavit was there or not? I may tell you that with my glance at the file I see no reference to it at all? A. No, I see no reference to it.

Q. I want to know whether you recollect that? A. No.

Q. A pretty strong affidavit? A. It is a very strong affidavit.

Q. Have you seen it since? A. No.

Q. You saw it then? A. I saw it then at that time.

Q. It came down with the copy of the writ of summons? A. Yes.

Q. It was sent back? A. Yes, returned.

Q. You did not keep a copy of it as you did of the writ of summons? A. No, I kept a copy of the writ of summons.

Q. There is a letter here dated 31st October to Mr. McCarthy from you: "Referring to your letter of the 19th inst. addressed to Mr. Fielding on the subject of the Farmers Bank of Canada and the issue of a certificate to the Bank to commence business under section 15 of the Bank Act, I noticed recently a reference in the newspapers to a judgment given by Judge Anglin in a suit relating to this matter. In view of the decision rendered I would be obliged if you let me know if

you still desire the protest contained in your letter to be brought before the Treasury Board upon an application of the Farmers Bank for a certificate to be considered." What was the occasion of writing that letter? A. If I recollect right the suit was dismissed. We wanted to have the ground cleared for action by the Treasury Board, and if the suit was dismissed and nothing in it we wanted to know.

Q. There was no application made at that time for the certificate? A. No.

Q. You wrote to Mr. McCarthy having noticed this in the papers? A. Yes.

Q. Do you remember in Mr. Laidlaw's affidavit anything said about discount notes? A. I do not remember Mr. Laidlaw's affidavit at all.

Q. I was speaking to you a few minutes ago and you said you remembered speaking about it? A. No, the writ of summons; I only referred to the writ of summons.

Q. You certainly said it went back with the writ of summons; it was a pretty strong affidavit? A. The writ of summons, the original papers sent to me by Mr. Leighton McCarthy were returned.

Q. Let me ask you again, I am instructed that there was an affidavit by Mr. Laidlaw with those papers sent to you with the writ of summons? A. Yes, I have no record of it and no recollection of it.

Q. You had at all events a writ of summons, you kept a copy of that? A. Yes, it is marked copy of the original document returned to Mr. McCarthy.

Q. Had this phase of the matter, speaking generally, come up before you that these notes by the various subscribers were being discounted for the purpose of raising money to pay the deposit to the government? A. As I said before there were rumours.

Q. Of that particular sort of action? A. Rumours of the incorporators endeavouring to obtain money by means of discount for the purpose of making up the $250,000 required to be deposited under the Act.

Q. I suppose that would also come to you in the form of a notice from Mr. Leighton McCarthy. I am going to put in, Mr. Commissioner, the correspondence between Mr. McCarthy and the then Minister of Finance, and Mr. Boville. The first letter is dated the 8th October.

MR. COMMISSIONER: Is not that all part of this same return you are going to put in?

MR. HODGINS: Yes.

MR. COMMISSIONER: Do not let us split it up.

MR. HODGINS: Shall I read the letters?

MR. COMMISSIONER: I don't think it worth while.

MR. HODGINS: Very well, I will put them in. The letter of the 19th October, 1906, I suppose to Mr. Fielding you would see, that is the one enclosing writ, "I beg to enclose special endorsement upon a writ of summons in the High Court of Justice etc"? A. Yes.

Q. Have you that letter there in the file? A. Yes.

Q. Further down it says, "I have received information that the alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money, and that the persons professing to act in the name of the Bank have transferred notes and received the proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of these notes, or a sufficient amount to make up $250,000. I wish you will have the kindness to acknowledge the receipt of this protest against the granting of the certificate"—did that go before Mr. Fielding? A. Mr. Fielding saw that.

Q. And saw the endorsement on the writ of summons? A. Yes.

Q. You wrote Mr. McCarthy on the 23rd October acknowledging that letter and stating "When application is made by the Farmers Bank to the Treasury Board for a certificate to enable them to commence business the representations contained in your letter with its enclosure will be laid before the Board". Will you

tell me why that was not done? A. Because the document was withdrawn afterwards; I could not submit it to the Board; I had not it, it was withdrawn.

Q. Why did you write the letter of the 21st November asking particulars as to the amount paid by each subscriber if the action had been withdrawn and you were satisfied? A. On account of these other rumours and to protect ourselves, if possible.

Q. The rumour was that the subscribers had not paid up in cash but had given notes? A. The rumour was rather that those who were seeking for the certificate were endeavouring to raise some part of the $250,000 by means of discounts.

Q. That was specifically charged by Mr. Leighton McCarthy in his letter, and did you notice whether that was involved in that suit or not? A. I do not recollect.

Q. I am not very sure that it is in that endorsement? A. I do not recollect.

Q. At all events you had the letter before you. The suit itself impressed you I suppose as a suit to set aside the subscriptions by these—A. Something of that kind.

Q. And I suppose you did not concern yourself very particularly with it? A. Not after it was withdrawn; it was dismissed. I presumed the action of the Court meant something.

Q. Did you see what the action of the Court was? A. I must have read it from the 'Globe' of the 29th October, because I have a memorandum, "*Vide* 'Globe' 29th October, page 7."

Q. You did not get a copy of the judgment? A. No.

Q. The 'Globe' report showed that they had assigned their claims to somebody else? A. Something of that kind.

Q. Or had been settled with? A. Settled with.

Q. Is that all the information you got, or did you get a copy of the judgment at any time before the issue in order to see? A. No.

Q. The information that you had then at that time was that certain subscribers were disputing their subscriptions and had given notes for the balance of their claim, that their subscriptions had been transferred to other people, and they had been paid off, am I right in that? A. I don't know that that feature was so very strongly before us.

Q. What was the feature? A. The writ of summons had been withdrawn and the case dismissed. I did not take any material interest in the case after that.

Q. Did you not take any interest in the case in which it was set up that the subscriptions had been obtained by fraud? A. That was only an allegation.

Q. I am speaking now as to the action of the Department, did you find it necessary in view of the charges made there to investigate further and see whether there was any truth in it? A. It was in that line that the Department was acting, and asking for this special information from Mr. Travers.

Q. If these same parties who had made the charges of fraud, and whose subscriptions you knew had been settled by other people—because that is what the 'Globe' said, was it not? A. Yes.

Q. If they appeared in the list that Mr. Travers submitted to the Minister of Finance and that you handed him, would you think that attention should be called to that feature? A. I do not think so. These people might have come back and been mollified and subscribed again, especially in view of the affidavit.

Q. Of what affidavit? A. Of the affidavit submitted—Travers' affidavit.

Q. I am asking you if the Department made any effort to find out, either from seeing the judgment of the Court in that action, or by enquiry from Mr. McCarthy, or by enquiry from any one else as to whether the settlement of that suit involved a complete withdrawal of the charges, and the substitution of other subscriptions? A. No, because the whole thing was deleted by being withdrawn.

Q. That is your assumption? A. Yes.

Q. But the means of investigating that you did not take? A. There was no investigation of that kind.

Q. When this list of subscribers came down, that was the list you asked in your letter of the 21st November, was it not? A. The 21st November, yes.

Q. In consequence of the rumours and of that letter from Mr. McCarthy saying they were issuing that $250,000? A. Yes.

Q. You had apparently not been satisfied by the settlement of the suit so far as that feature had been concerned? A. We wanted to make further inquiry.

Q. You would not do that if you were sure? A. There had been some allegations and we wished to satisfy ourselves.

Q. I say you were not satisfied by the settlement of the suit upon that point? A. No, because this had not been the practice in previous cases.

Q. I am not really concerned with the reasons, but you really did not feel that that was got out of the way by the settlement of the suit? A. We wished to strengthen our position by getting this special information.

Q. I suppose I had better take it at that. Your position still needed to be strengthened on that point? A. Yes.

Q. When that came down did you check over that list of subscribers? A. I see the check marks on it but I did not check it.

Q. You see your letter says, "In the papers to be submitted there is a list of bona fide subscribers of capital stock.....would you be good enough to add to this list for submission to the Board a statement showing the actual amount of cash paid up by each subscriber"—in that list which you handed to Mr. Fielding the names of these parties who had brought this action and had since been settled with are included as bona fide subscribers, was that noticed by you? A. I don't think there was any attention paid to it at all.

Q. Did you look to see whether that feature was there? A. I don't think so.

Q. If you had noticed it you would have returned the list for correction? A. Not necessarily.

Q. Why not? A. In view of the affidavit because that was a very strong affidavit.

Q. At all events that feature of it was not gone over; the list bears the marks, you say of checking? A. I see the checking marks on the outside here.

Q. What on earth would you have to check that with; what could you check that list of subscribers with if it was not with the writ of summons? A. These are subsequent check marks.

Q. In the letter of Mr. Fielding which was written on the 30th November, to Mr. Travers, am I wrong in saying that you dictated that letter? A. You are; Mr. Fielding dictated it later himself.

Q. And he I believe handed that out to Mr. Travers, do you know about that yourself? A. No.

Q. The letter is dated the 30th November: "There is a phase of the matter which I should like to bring to your notice so that you may consider it at once. It has been represented to us that in some previous instances where an application was in all respects apparently regular there was actually an evasion of the intention of the Bank Act in relation to the paid-up capital. We have been told that in some cases the subscribers did not actually pay in cash, but gave notes to the Provisional Directors which were used to raise the money. On account of information of this kind which has reached us in relation to a previous case we deem it proper to scan very closely every application for a certificate which comes to us. I shall be glad to have an assurance that nothing of the kind has taken place in relation to the subscriptions for the Farmers Bank, but that the amounts set forth in the application as having been paid up have in every case been bona fide cash payments"? A. Yes.

Q. What is the date of that affidavit that you speak of as being such a strong

affidavit, is it the one dated the 27th November made by Mr. Travers? A. The 27th November, by Travers.

Q. When did that reach the Department? A. It was forwarded from Toronto on the 27th November and evidently was received the next day, on the 28th.

Q. And then it was not in the hands of the Department during the 28th and 29th, was it? A. It must have been in the hands of the Department on the 28th, because I enclosed it to the Department of Justice.

Q. And they would have had it on the 28th and probably the 29th; Mr. Newcombe's letter was the 28th? A. The same date.

Q. Did he get it back the same day? A. The same day.

Q. Then evidently on the 30th Mr. Fielding was not satisfied with that affidavit? A. I would not say that.

Q. Were you? A. I was satisfied with it.

Q. Based upon what you have told us, the withdrawal of the suit back? A. Yes, and the strength of the affidavit itself, and the people who were at the back of it.

Q. Who were the people at the back of it? The shareholders.

Q. Did you know any of them? A. No, but they represented the farming element, evidently well spread throughout the County of Halton, and they represented a good class of people as far as I knew.

Q. Will you tell me what you did other than what you have already said in connection with this, before you handed the papers to Mr. Fielding to satisfy yourself upon the point raised by Mr. McCarthy in the matters set out in the writ of summons, and in the matters referred to in the Minister's letter of the 30th November, which he says requires them to scan very closely every application for a certificate? A. Scan all the papers in the light of the requirements of the section of the Bank Act.

Q. Yes, but other than what you have told me as to what you went over or what you did, was anything else done? A. I do not think so, other than checking the notices, the necessary requirements.

Q. The preliminary requirements? A. Yes.

Q. Did you know anything at all or did you take any means to verify the statements that were in the prospectus as to the directors? A. No.

Q. Some of those directors were members of Parliament then, were they not? A. Yes.

Q. You made no enquiry from them? A. No.

Q. Mr. Calvert's name, I see, is given; does that feature enter into the calculations at all? A. That feature enters more into the calculations of the Banking and Commerce Committee of the House of Commons.

Q. But not into the Department's? A. No. "In every case a Committee upon any bill for incorporating a Company may require proof that the persons whose names appear in the Bill as composing the Company are of full age and in a position to effect the objects contemplated, and have consented to become incorporated" (section 104 of Rules of the House of Commons).

Q. But these names only reached the Department of Finance on the 28th November? A. Yes.

Q. They never reached the Banking and Commerce Committee. I am only asking you, the names of Members of Parliament in Ottawa appearing as Directors, whether any enquiry is made from them? A. No.

Q. I suppose you cannot tell me whether anything further was done by way of enquiry? A. No.

Q. Did you submit to Mr. Newcombe, the Deputy Minister of Justice, the correspondence with Mr. McCarthy on the writ of summons, the copy you had retained? A. The letter to Mr. Newcombe would have to speak for itself; I could not say for certain.

Q. Mr. Newcombe's letter I see does not give any details; can you say whether you submitted those to him or not? A. I could not say.

Q. He makes no reference to it? A. No.

Q. You would recollect if you had, would you not? A. No, I would not. We might send him the whole file or we might only send him the papers relevant.

Q. I want to see how far you regarded that as important at that date? A. The practice would be to send only the papers which were relevant.

MR. COMMISSIONER: To the enquiry you were making? A. Yes.

MR. HODGINS: That enquiry was whether on the papers submitted such a certificate might legally issue? A. Yes.

Q. Was that enquiry made in all bank cases as a matter of form? A. I would not say all the bank cases, but Mr. Fielding was generally very particular about having the advice of the Department of Justice, and I was starting in at that time.

Q. What you wanted to know was whether apparently the Bank Act had been complied with? A. Yes.

Q. And that was all? A. Yes.

Q. You were taking any responsibility there might be in regard to the enquiries which had been made by the Department? A. That is our responsibility.

Q. Did you know Travers yourself? A. No.

Q. Had never seen him before he came to Ottawa? A. No.

Q. When did you see him first, was it before the 30th or on the 30th? A. I think it would be probably before the 30th. Mr. Fielding delivered his Budget speech on the 29th, and I fancy Mr. Travers may have called at the Department the day before or that day regarding the matter.

Q. You do not remember seeing him then? A. No.

Q. The application of Travers was the one you enclosed to Mr. Newcombe? A. Yes.

Q. That application is given in this printed memorandum dated 27th November, that is the one enclosing the declaration? A. Yes.

Q. "I have the honour herewith to forward declaration of the General Manager of the Farmers Bank of Canada, setting forth the facts relating to the incorporation, organization of said Bank and also giving the names of the Directors elected at the meeting of the subscribers, and such other particulars as required by the Bank Act; the provisions of the Act as to subscriptions and deposits with the Receiver General having been fully complied with on behalf of the said Bank, I apply for the Certificate of the Treasury Board permitting said Bank to commence business of Banking." There is the time the application first came in, that would be the 28th? A. Probably the 28th.

Q. Then I suppose, apart from the letters on the 30th, whatever had been done with regard to satisfying yourself had been done prior to that in anticipation of the application? A. What is that?

Q. I suppose that whatever you had done with regard to satisfying yourself had been done previous to the 28th November? A. I do not catch the drift.

MR. COMMISSIONER: Before your letter to Mr. Newcombe, what belonged to your Department was that all finished? A. That was all finished before we wrote to Mr. Newcombe.

MR. HODGINS: Is it the practice of the Department to ask when an application is made for the authority of the person applying? A. No.

Q. Who were you issuing the certificate to? A. The Farmers Bank.

Q. Are you familiar with the Bank Act? A. Generally.

Q. You know what the Provisional Directors can and cannot do? A. Yes.

Q. And know there requires to be an election of Directors? A. Yes.

Q. And some resolutions or authority to apply for the certificate? A. Is that in the Bank Act?

MR. COMMISSIONER: I do not know that you need examine Mr. Boville upon the law.

MR. HODGINS: If I did I would find very little he did not know about it, I am only asking for information in order to found a question whether he made enquiries.

MR. COMMISSIONER: He says it is not usual to do so? A. It is usual in these matters to deal with the general knowledge and the information by some one who knows the facts, the General Manager practically in all cases.

MR. HODGINS: Without any evidence that the Board of Directors has been legally elected? A. Oh, no.

Q. I think you will agree with me that that is required by the Bank Act? A. Oh, that is required by the Bank Act.

Q. You took Travers' declaration that day without further enquiry? A. We heard, generally by the newspapers, that he had been elected General Manager.

Q. With regard to the formality? A. No formality. We had no definite legal instrument advising us that he was General Manager.

Q. I am not speaking of his being General Manager. I am speaking of the proper election of Directors? A. That comes in the Bank Act.

MR. COMMISSIONER: Does his declaration cover that ground? A. Yes, his declaration covers that ground.

Q. And that is all you require? A. Yes; section 13 of the Bank Act says (reads).

MR. HODGINS: Before the certificate issues there are certain statutory requirements, and that is one? A. Yes.

Q. The establishment of that fact that they were properly elected directors? A. Yes, and that is covered in the affidavit.

Q. And upon that you acted? A. Yes.

Q. On the 30th November you cannot recollect the time at which this was taken over to Mr. Fielding. A. No.

Q. His letter to Mr. Travers speaks of an interview at one o'clock or else in the afternoon. A. Yes.

Q. And from information I have I should think it was in the morning, was it not? A. I could not tell you.

Q. Did it pass entirely out of your hands after you handed— A. Practically, yes.

Q. When did you come into it again, get this minute of the Treasury Board? A. Mr. Fielding would send it to me, and it must have been sent to me in the afternoon some time.

Q. The whole of the business connected with this, other than what you have told us, must have been transacted between one o'clock in the afternoon of the 30th and the evening of the 30th, when somebody got the certificate? A. Yes.

Q. Who got that certificate, who was it handed to? A. If you read my letter to Mr. Travers of the 30th, "Referring to your letter of the 27th inst., to the address of the Deputy Minister of Finance applying for the certificate of the Treasury Board entitling the Farmers Bank of Canada to commence business of banking, I beg to hand you herewith a certificate issued under the authority of the Treasury Board in accordance with the provisions of the Bank Act". So that it was handed to him on the 30th.

Q. You handed it to Mr. Travers enclosed in the letter? A. I handed it with the letter, yes.

Q. Are you quite sure of that? A. I think so. It is a long time back.

Q. Was any one with Mr. Travers at the time? A. I do not think so.

Q. Was Mr. Stratton there? A. No; I think Travers was alone.

Q. You think it was handed to him? A. Yes; the letter says it was handed to him.

Q. Was the cheque handed back to him? A. I also said in the letter, "I beg to hand you herewith Finance Department cheque on the Bank of Montreal, Ottawa, in favor of the Farmers Bank for $245,000".

Q. How late in the afternoon did this take place? A. I suppose about five o'clock.

Q. You gave the minute of the Treasury Board, the cheque, the certificate and wrote these letters? A. Yes.

Q. In the afternoon? A. Yes.

Q. So as to hand them over to him so as to be through by five o'clock? A. It may have been about that. After the Treasury Board had given its decision the rest is only a matter of a short time.

Q. Did you see a man named C. H. Smith there at all? A. I did not know C. H. Smith.

Q. He was down at the same time Travers was? A. I do not remember any C. H. Smith.

Q. He got $1,800 from Mr. Travers that day in Ottawa? A. I don't know anything about that.

Q. Did you see Mr. W. H. Hunter? A. No.

Q. Did you see Mr. Norman Guthrie? A. No.

Q. All the dealings were with Travers? A. Yes.

Q. Was there any reason for issuing this in such a hurry between one and five o'clock on the same day? A. No, the ordinary way of doing business. As soon as the Treasury Board gives its decision, it is only a matter of half an hour's work.

Q. It is as easy as that? A. After the decision is given the rest is easy.

Q. I should think it would be easy, considering what you handed Mr. Fielding? A. Well, that is your opinion.

Q. Was there any demand made on Travers that evening to your knowledge for the return of that certificate? A. Not to my knowledge, I know nothing about that.

Q. Did you ever hear anything about it? A. No.

J. You did not go? A. No.

Q. Nor send for it? A. No.

Q. Do you know if Mr. Fielding went? A. I could not tell you. I don't know.

Q. Were you instructed afterwards to get it back? A. No.

Q. Did you go later? A. No.

Q. I do not mean later in the day or evening, I mean later in point of time? A. No.

Q. To see Mr. Travers? A. No.

Q. You make no effort to recall the certificate once it was issued? A. No.

Q. Did you receive a letter on the following morning that you answered from Mr. Edward Clouston? A. Yes, that is on the file.

Q. Received it on the first December? A. Mr. Clouston's letter of the 30th November.

Q. Have you the original letter? A. Yes, there is the original letter.

Q. Dated November 30th at Montreal? A. Yes.

Q. Nothing to show when that was received? A. No; in ordinary mail it would be received the next morning.

Q. This is your reply to it? A. Yes.

Q. December 3rd, would that be the date you replied to it? A. Yes, the date of our reply.

Q. That letter of Sir Edward Clouston just repeated what Mr. McCarthy

had written, did not it: "In connection with the application of the Farmers Bank of Canada for the usual certificate from the Treasury Board I have reason to believe that the money lodged or to be lodged at Ottawa as stock subscriptions cannot be regarded as paid-up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan made upon the promise of its re-payment when returned by your Department. Permit me to request that if only for the protection of the public the Treasury Board will exercise its right to refuse to issue the certificate if it thinks best to do so until a thorough investigation has been made into the circumstances stated therein". Mr. McCarthy's letter apparently says, as I read it, the same thing. I would like to ask you whether you gained the same impression from it. "I have received information," Mr. McCarthy says, "that the alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money, and that the persons professing to act in the name of the Bank have transferred notes and received the proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of these notes, or a sufficient amount to make up $250,000."

MR. COMMISSIONER: There is a very important statement of Mr. Clouston's which is not there, the money will be returned to the lender.

MR. HODGINS: Yes, probably not known to or thought of by Mr. McCarthy; I am asking you.

MR. COMMISSIONER: I do not think that is a fair question at all; the letters speak for themselves? A. The letters speak for themselves.

MR. HODGINS: Of course they do, but I want to know whether the explanation he gives to Mr. Clouston is the explanation he would have given to Mr. McCarthy.

MR. COMMISSIONER: I do not think that is right to speculate on what he would have given.

MR. HODGINS: I will put it to you in another way: this letter then to Mr. Clouston sets out, does it not, pretty well your reason why the certificate was granted? A. Yes.

Q. It speaks for itself? A. Yes.

Q. You have nothing to add to it? A. No.

Q. "In view of published reports in the newspapers of some litigation in connection with the subscriptions to the capital in the Bank the matter has had the careful attention of the Department". Did that include the matter that Mr. McCarthy had laid before you in the letter I have read you? A. I presume it would be borne in mind.

Q. What had been done then to investigate that—"had the careful attention of the Department"? A. I say the matter of the issue of the certificate.

Q. That is what this means? A. Yes.

Q. What careful attention, if any, was given to the question of how the $250,000 was being raised? A. Special form of affidavit, special information asked for by affidavit, and the special questioning by Mr. Fielding of Mr. Travers.

Q. "And some time ago the General Manager of the Bank was communicated with to the effect that when applying for the certificate to commence business in addition to the list of subscriptions to the extent of half a million required by the Bank Act the statement should contain also the actual amount of cash paid up by each subscriber on his subscription. On the 29th ultimo application in due form was made by the Bank for the certificate permitting it to commence the business of Banking. The application was accompanied by the usual documents and also by a list of the subscriptions and cash paid in by each subscriber. The list itself covers over 500 names, and nothing therein appeared calling for any particular comment." I understand you to say that this was not checked over? A. It was scanned fairly closely as to where these men came from, as to their—

Q. You would not expect to find anything in the list which would show what money was improperly obtained? A. It would not be in the list, that was in the affidavit.

Q. Beyond scanning where they came from there was nothing done with regard to that list. "From the statutory declaration of the General Manager I quote the following paragraphs"—you set out paragraphs 4 and 5? A. Yes.

Q. "I previously had some conversation with Mr. Fielding who was very busy in connection with the preparation of the Budget speech, with regard to this application, but on Friday last, the day after the Budget speech, Mr. Travers, the General Manager, had an interview with him. In the course of this interview that gentleman gave a most positive assurance that 'not a dollar' of the amount deposited had been borrowed"? Was that given in your presence? A. I think that information Mr. Fielding gave me.

Q. "For the purpose of record Mr. Fielding wrote Mr. Travers a letter of which I enclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case *bona fide* cash payments. I enclose a copy of Mr. Travers' reply".

"Under these circumstances there did not seem to be any warrant for the withholding of a certificate under section 14 of the Act, and, accordingly, a certificate was issued on the 30th ultimo". That sets out your view? A. Yes.

Q. Do you still adhere to it? A. Yes.

Q. No attempt was made by the Department to recall that certificate? A. No.

Q. Had Travers left Ottawa? A. I could not tell.

Q. The same evening? A. I don't know.

Q. Did you make enquiries when you got Mr. Clouston's letter as to whether he was in town? A. No, I don't think I did.

Q. Attention has been called to the fact that Mr. Clouston's letter contained another charge which was not before you, that is that the money when borrowed was agreed to be returned out of the money to be handed back by the Government? A. No.

Q. Did that feature strike you as being important? A. No.

Q. You made no enquiry from Mr. Travers as to that? A. No.

Q. Are you aware that the Bank did not open for business till the 2nd January, 1907? A. I could not tell you when they opened for business, it was a short time I remember, but the exact time I could not remember.

Q. It would have been quite easy to recall that certificate?

MR. COMMISSIONER: Do you argue there was any power in the Treasury Board or in the Minister or anybody else to recall the certificate?

MR. HODGINS: Yes, if it was obtained under circumstances which an investigation turned out to be fraudulent, he could recall it.

MR. COMMISSIONER: I don't know whether that is so or not, but that is what you are going to argue?

MR. HODGINS: Yes. Of course there is another phase of it I shall argue, that business prudence would indicate when Mr. Clouston, the President of the Bankers' Association, writes that letter, and the certificate had only left the Department that enquiry ought fairly to be made at once.

Q. Beyond answering Mr. Clouston did you take any steps to notify Mr. Travers of what was said in that letter? A. I do not think so; the correspondence will show.

Q. There is no correspondence that does show that? A. I do not think so.

Q. If that be so why had you notified him when Mr. McCarthy's protest came in? A. In the case of Mr. McCarthy's protest we want to let him know we would practically oppose the issue of a certificate unless that objection were cleared up.

Q. What I cannot understand is why the matter should have gone through in such haste and apparently without the matter being investigated before it was issued, and then when this matter comes up again why at all events then the Department could not have made enquiry? A. So far as the use of the word "haste" is concerned there are classes of business which come to the Department which are always dealt with promptly; the issue of licenses to Insurance Companies and matters of that kind, where interests are involved, and probable loss of money, and those things are promptly dealt with.

Q. Turning to a little later date the correspondence of the Department shows you were communicated with in April, 1907, with regard to notes under discount at the Milton office? A. Yes.

Q. Had you to do with that? A. It is of interest to the Department.

Q. I know, are you the one in the Department that had to do with it? A. The letter was addressed to myself.

Q. Did you connect in any way the two things, the charge made by Mr. McCarthy with regard to the notes and the actual fact that Mr. Vankoughnet states to you on the 17th April? A. No, they were not connected, I don't think.

Q. 17th April: "Will you kindly give me your opinion on the following: our General Manager sends to the different Branches lists of notes given in payment of our capital stock. These notes he makes the Managers put through as discounts, crediting the amount to Head Office. This is figured in the Government Return as paid-up capital and circulation issued to that amount. If I read the Bank Act correctly, section 76, he is asking us to do what is not right. As I do not wish to do anything contrary to the law I should be much obliged if you give me the ruling on it. With many apologies for troubling you.

(Signed) "G. VANKOUGHNET,
Manager."

A. I did not think it was any province of mine to give a ruling on that. The information was of interest to the Department because if the circulation of the Bank were increasing abnormally beyond their really paid-up capital they would be liable for fine for infraction of the Bank Act.

Q. You did not connect this, however, with the fact that the notes had been given for subscriptions and used to get in the $250,000? A. No.

Q. You wrote to Mr. Vankoughnet then on the first May: "While it is not deemed expedient to enter into correspondence at this stage, the matter referred to by you is of sufficient importance to warrant further enquiry. This will shortly be made. I should like to have a copy of any of the notes". Was the note produced here and shown Mr. Henderson, do you know, the note that was forwarded to you? A. Yes, I think that is the note.

Q. That is not printed in the printed Return; I would like that note to go in. —Note referred to filed as EXHIBIT 3.

Q. That was one of the notes (Exhibit 3)? A. Yes.

Q. You got a further letter from him May 3rd, "I received your letter of the 1st instant and enclose as requested one of the notes which I referred to in my letter to you of the 17th ult; when we renewed these notes we dated them 2nd January, 1907, or later, and made them payable at this office. The amount under discount at this office, 30th April, was about $111,885." There is no further letter to Mr. Vankoughnet, he does not appear to have got any satisfaction or information from the Department? A. It was not a valuable correspondence to carry on, because there was nothing that I could do for him directly. I think later on we asked for a special Return.

Q. You communicated with Mr. Travers immediately? A. I asked for a special Return later on.

Q. You asked him on the 2nd May for certain detailed information: "What portion, if any, of the $375,473 paid up capital of the Bank as per Return of liabilities and assets of March 30th, 1907, is represented by promissory notes or other obligations of shareholders or the proceeds of the same of which the Bank is the holder or is liable thereon."

"The names and holdings of stock of such shareholders, if any, with particulars of such notes or obligations now current."

Then you draw his attention to section 113. Did you get that information? A. Yes.

Q. And have you it there? A. Yes.

Q. That is not printed in this return, is it? A. I do not recollect.

Q. How much does that show? A. Out of $375,000 paid-up capital as per Return 30th March, 1907, represented by shareholders' notes held by the Bank $59,110.

Q. Did you notice that Mr. Vankoughnet said the amount under discount at his own office at Milton was $111,000? A. Yes.

Q. Did you call attention of Mr. Travers as to the disparity between those two?

MR. COMMISSIONER: How is this relevant to the enquiry? It has nothing to do with the issuing of the certificate?

MR. HODGINS: No, but it has to do with the conduct of the Bank afterwards.

MR. COMMISSIONER: It seems to me it is going pretty far afield, however, if you think it is important I won't stop it.

MR. HODGINS: I only just want to see what the Department did; I am not going to pursue the matter to any length.

MR. COMMISSIONER: I do not think that is involved at all. I am not asked to investigate the conduct of the Department with regard to these reports that were sent to it, and I am not going outside the mandate I have.

MR. HODGINS: If you rule that this enquiry is unimportant in view of the Commission I will not pursue it.

MR. COMMISSIONER: I do not think at present it is covered except so far as, if at all, it affects the first branch of the Enquiry with which you have just been dealing, the issue of the certificate, and I don't see how it does.

MR. HODGINS: It cannot possibly affect that, because the certificate had been issued to the Bank, and the Bank in operation. It only shows notice to the Department of a state of affairs—

MR. COMMISSIONER: I am not trying the Department; that is not my function.

MR. HODGINS: I appreciate that, but I do not know that you can report upon the causes of the failure of the Bank altogether without seeing that it was allowed to go on by the Department without attention being called to this, that Travers was making these statements, and if the Department had knowledge or noticed they were untrue, and did not investigate them, I think it is in the public interests that that should come out.

MR. COMMISSIONER: I do not think that is within the scope of the enquiry.

MR. HODGINS: At all events when we get further into the matter, and the causes of the failure of the Bank come up, perhaps it may be relevant there.

MR. COMMISSIONER: I do not see how at present it can. If it does Mr. Boville can be called then.

MR. HODGINS: It can be resumed then. That will shorten Mr. Boville's examination up in that respect just now.

The Commission adjourned at 1.40 P.M. to 3 P.M.

The Commission resumed its Sittings at 3 P.M., March 13th, 1912, at the Court House, Ottawa.

NORMAN G. GUTHRIE, sworn, examined by—

MR. HODGINS: Q. You are a practising Barrister in Ottawa? A. Yes, sir.

Q. And were practising here as a member of the firm of Pringle & Guthrie in November, 1906? A. Yes.

Q. Did you know Travers, the Managing Director of the Farmers Bank, at that time? A. I met him in Ottawa at that time.

Q. Had you known him before? A. No, sir; I had never seen him till that occasion.

Q. Were you the Mr. Guthrie that he saw that day on professional business? A. What day was that?

Q. The day you saw him in Ottawa? A. I presume so. I was the only Mr. Guthrie in Ottawa at the time, I presume.

Q. The date I speak of is the 30th November, 1906? A. I would be the Mr. Guthrie.

Q. Do you remember his coming to you for any purpose? A. I remember fairly distinctly.

Q. What was his object, as explained to you? A. He came to my office in the 'Citizen' Building shortly after four o'clock for the purpose of paying me some costs which had been arranged between himself and my client in an action in which I was acting in an adverse interest to the Farmers Bank; that was the object of his visit.

Q. I suppose it is impressed on your mind because it was a question of costs? A. Well, yes.

Q. Who was the client you speak of? A. C. H. Smith.

Q. When had he became your client? A. He had become my client, I think, two or three days previously. I could not speak accurately.

Q. Do you know if he came down with Travers? A. I could not say as to that.

Q. Or with Mr. Hunter? A. I could not say as to that.

Q. Then he drifted into your office? A. He was sent to me by Mr. A. S. Lown. Mr. Lown used to practise law in Drayton, and he knew me, and he advised Smith to see me.

Q. A. S. Lown was one of the Provisional Directors of the Bank? A. Yes.

Q. What was the nature of Smith's claim that you say was adverse to the Farmers Bank? A. As I recollect the instructions given me by Mr. Smith, he had been acting as Secretary to the Provisional Directors, and when Travers took over the General Managership of the bank he had quarrelled with Smith and had discharged him, and Smith claimed that at the time of his discharge there was a considerable sum of money due him for services, and, as I recollect it, commissions on sale of stock and a number of matters. When he came to me he wished me to take whatever proceedings might be necessary to endeavor to collect the claim.

Q. Have you any idea why he came to Ottawa to do that when the bank was in Toronto? A. Well, I have not any particular idea, except that I am sure that it was his intention to endeavor to enforce a settlement, and if he could not do so to issue a writ and deposit it with the Department of Finance and fight the issue of the certificate.

Q. I suppose he instructed you along that line? A. He instructed me very generally. In the first place, he was in bodily fear of Travers; he had been discharged, and Travers had used considerable violence; and Smith put up at the Grand Union Hotel, I recollect, and no doubt his registry can be found there. Travers was at the Russell, and I had a great deal of trouble to bring the parties together in order to discuss the question.

Q. Did you do that? A. I did that.

Q. In your office? A. No, in the Russell House; Mr. Travers, and his solicitor, Mr. Smith and I.

Q. Who was Travers' solicitor? A. I think it was Mr. Hunter, of Toronto. I had never met him before.

Q. A gentleman with spectacles? A. Yes, and a reddish beard.

Q. Did this occur on the date I mention, the 30th November? A. No, that occurred, I think, the day before. The parties were brought together, and as I recollect it Mr. Smith and Mr. Travers arranged a settlement, I think, of $1,800, payable by a note at three months, or something of that sort, and I was informed by Mr. Smith of the settlement. Then, on the 30th November, Mr. Travers called at my office with the object of paying the costs.

Q. Was this settlement arranged between Smith and Travers on that date or the date previous? A. I think it was the day previous.

Q. Were you present when the settlement was arranged? A. No.

Q. Undoubtedly, your instructions were, if not settled you must prevent the issue of the certificate? A. No, they hardly went to that extent. I questioned Mr. Smith with regard to that, and he said he had no material on which he could oppose the certificate unless he issued a writ. I asked him if there was any means by which he could delay the issue by the Treasury Board, and he told me he did not know anything, except there were four or five names which should not be on the affidavit as shareholders on account of their subscriptions being cancelled, or something of the sort, they might be on the schedule. I attended the Department of Finance and I saw the affidavit filed by Mr. Travers and the schedule, and as far as my recollection goes these names were not.

Q. Did he give you the names? A. Yes, I think I took them on a small piece of paper, and I was up at the Department for five or ten minutes.

Q. Would you recognize them if I were to read you the names? A. It is a considerable time ago. The only one I have any recollection of was the late Senator Merner; I recollect his name.

Q. Did he say anything about a writ which had been issued in Toronto, Mr. Smith? A. No, he did not.

Q. Did he mention anything about Mr. Laidlaw's clients; could we in any way get at what names they were through any collateral matter he mentioned? A. No, he did not mention them. You see he had been discharged, as I understand it, before the material had been prepared, and it was a matter of guess work on his part.

Q. And he gave you such names as he could, and you say you did not find them? A. That is my recollection; the search was unsatisfactory.

Q. Who did you see in the Department? A. I saw Mr. Boville.

Q. Did you explain to him what you wanted? A. I told him I wanted to look at the names on the schedule to the affidavit to see if certain names were there, and he showed me the schedule, and I looked at it and left.

Q. You did not tell him the purpose of your search, did you? A. No, I did not, because to be quite candid I was afraid of blocking the issue of the certificate.

Q. I thought your client wanted that? A. No, he did not; he wanted if it came in the proper way; if he were compelled to he proposed to issue a writ of summons, file it with the Department, and ask for a day before the Treasury Board to be heard.

Q. You knew, anyway, he wanted his money on this claim before the certificate issued? A. Yes.

Q. The idea was to prevent that in some way? A. To avoid litigation.

Q. To avoid the issue of the Treasury certificate? A. On our part it was to avoid litigation.

Q. You wanted a settlement? A. Yes.

Q. The litigation would have been directed towards stopping the issue? A. No, the litigation would have been directed towards collecting the claim, and meanwhile I suppose Mr. Smith had intended to go up and carry on what investigation he could into the matter and ask the Treasury Board to delay the issue of the certificate.

Q. You proposed to file a copy of the writ with the Finance Department? A. That was it.

Q. You did not get that far? A. As I say, the matter was settled by the parties before it came to that point.

Q. Did you say anything to Mr. Boville about your client, Smith? A. I do not recollect, Mr. Hodgins; I may have mentioned to him for whom I was acting; I cannot recollect definitely.

Q. Having brought the parties together, was the settlement carried out in the Russell House, as far as Smith was concerned, apart from the costs? A. As far as I recollect, the settlement was in the nature of a note at three months given by Mr. Travers to Smith.

Q. Did you hear that from Smith? A. Yes.

Q. Did you see the note? A. I have no recollection of seeing it; the great difficulty, as I said before, in the matter, was to bring the parties together on account of the treatment which Smith had received from Mr. Travers.

Q. The claim was about $2,500? A. Yes.

Q. To come to the interview with Travers, he came into your office for the purpose of settling the costs? A. Yes.

Q. And had you set the costs at that time? A. The costs had been agreed upon by Mr. Smith and Mr. Travers, that was part of the settlement.

Q. At what rate? A. I was to get $100.

Q. You had stated that to Smith? A. Mr. Smith rang me up and told me of the settlement and asked me if that would be satisfactory, and I said yes.

Q. When was the note given to him? A. I cannot recollect that, Mr. Hodgins. I do not know that I was ever aware of the delivery of the note.

Q. Did you get a cheque from Travers? A. Yes, at that interview.

Q. Then was the interview confined to his giving you a cheque for the $100? A. Possibly the best way would be to describe the whole interview. Mr. Travers, as I say, arrived at my office some time after four o'clock in the afternoon; he appeared to be quite excited, and at the same time to be in very excellent humor. He informed me that he had just concluded a very strenuous examination by the Minister of Finance in connection with the affidavit which he had filed. I have a table in my office and he sat on the opposite side of the table and called for a blank form of cheque to pay my costs.

Q. He called for a blank form? A. He asked for a blank form.

Q. On what Bank? A. I have no recollection; I presume the cheque can be obtained. He then wrote out the cheque and threw it across the table to me. I looked at the cheque and I saw it was for $110. I said to him, "Mr. Travers, I understood from Mr. Smith that the costs were fixed at $100," and he said to me something of this sort, "I am very well pleased with the settlement that has been arrived at and have been well treated, and I would be very glad to add something to the cheque, as I may have to ask for the use of your office, and ask you to draw some papers for me." I said "It is quite unnecessary to add anything to the cheque for that purpose; I would be very glad to have you use the office". He said "I will have some further business with you in Ottawa, and I want to be on good terms," and he was in very excellent humor. That is as I recollect it.

Q. He left the cheque with you? A. Yes, which I deposited in the bank in due course.

Q. And went away then? A. No. Subsequently to that we had some conversation about various matters, and he showed me a letter which he had been

handed by the Minister of Finance. My only recollection about that letter is that it was wet from the letter-press. He tossed it over to me and asked me what I thought of it. I read the letter and I really did not take in what the letter meant as I had no knowledge of the particular point that the Minister of Finance wished to bring out.

Q. Look at that letter, 30th November, copy of the letter there in the Return and see if that is the letter you saw? A. I cannot identify it from memory but I have no doubt that is the one, I read it very casually.

Q. What is the impression left on your mind as to what it was about? A. The impression left on my mind was this that Mr. Fielding had examined Mr. Travers orally on the items contained in the affidavit.

Q. Had you seen the affidavit? A. I had seen it previously. I had seen it before on behalf of Smith. Mr. Fielding had on concluding that oral examination asked Mr. Travers to give him a letter covering the ground on which he had examined him, and I presume that was the case.

Q. What did he ask you to do or say, what did he give you the letter for? A. As I say, it was handed to me in the most casual way, and I read it and tossed it back to him, and then we had some conversation about it, and I am not perfectly certain, but I think he asked me what reply he ought to make, or something of that sort, and I pointed out to him that I was in no position to advise him on the reply he should make to this letter, as I was absolutely unacquainted with the circumstances. Then I left the office for the day, very shortly after that. He said "All right", and stuck the letter in his pocket. He said "You will have no objection to my using your office to dictate some letters", and so forth. I said "Not the least in the world, I would be delighted to have him use the stenographer"; and as far as my recollection goes he stayed in the office and did dictate some letters. My recollection is that as I left the office he was walking up and down smoking a cigar and dictating.

Q. Did you see what he dictated that day? A. No, I did not; and I have not seen Mr. Travers from that day to this.

Q. Mr. Travers has been examined in a case against Messrs. Stratton and Warren, and he says this—I would like to ask you what you say about it—he is speaking now of the fact that he had borrowed the money, he borrowed it personally from the Trust & Guarantee, and he speaks of the letter that he wrote in order to get the certificate, the one probably dictated after you left: "I paid the money in on account of the subscribers, that is the way I looked at it at the time".

Q. In that way it was you justified the statement made by you? A. Yes, I took legal advice upon it, and they told me it was, and I wrote the letter accordingly.

Q. Would that statement apply to legal advice he got from you? A. That may be Mr. Travers' recollection. I have endeavored to give you my recollection, and I can swear positively that I did not advise him on that subject. I was going to say, you called attention to Mr. Hunter being in Ottawa, Mr. Hunter was the Bank's solicitor, and I presume if Mr. Travers wanted legal advice he would have gone to Mr. Hunter?

Q. Yes, but Mr. Hunter had left for Toronto on the 28th, and was not in town on the 30th? A. That just occurred to me in that connection.

Q. I want to put to you what he said, so that we may clear the thing up? A. Yes.

MR. COMMISSIONER: He has told you he did not advise him.

MR. HODGINS: In this examination in the prosecution of Warren and others he made an answer there saying with regard to the $100 which was paid you: "That $100 were for Smith's services, and $10 was for some little advice I asked him about"? A. I presume that is Mr. Travers' way of putting it. I have told you what occurred as far as I recollect.

Q. I am giving you these extracts so that if Mr. Travers is not telling the truth you can say so. Speaking of Guthrie and Pringle he says: "Guthrie charged $100 for settling it and $10 he charged me for some advice to me. I asked him what he thought of Fielding's letter to me."

"Mr. Corley: What did he get the $10 for? A. I got him to read over the letter from the Finance Minister.

"Q. Complaining that your proceedings were not regular? A. Yes, I explained the matter to him, and I suggested the reply, and he said it was all right; that is my recollection.

"Q. You paid him $10 for that? A. I paid him $10 for that.

"Q. For saying it was right? A. Yes, for saying it was right".

That is covered by your previous answers? A. Yes, my answer to that is what I said previously. You must remember I have not read Mr. Travers' examinations and I am giving you the best recollection I have in the matter.

Q. He says further at page 476 in the same examination:

"Q. Your affidavit had been filed with the Department? A. Yes, it had been filed and I explained the circumstances to Mr. Guthrie.

"Q. What circumstances? A. The circumstances of the subscription, the amount shown having been applied by borrowed money, and if I remember right Mr. Hunter left for Toronto that night, and the next day I prepared the answer to Mr. Fielding and showed it to Mr. Guthrie, and I think with some slight changes it went on, and that is all I remember." A. With regard to that I have to say that Mr. Travers did not, so far as my recollection extends give me any information of that sort, nor did he submit to me the reply. I think possibly if you would look into the records of the Finance Department you will find the letter went back that afternoon.

Q. That is quite right it did; you are not sure as to what Bank that Cheque for $100 was on? A. I cannot recollect.

Q. Is that all your connection with the matter? A. That is everything I had to do at that particular time. I was engaged as Counsel when the original charter of the Bank was granted.

Q. Did you see Travers produce any blank cheque or cheques on the Farmers Bank, blank but on the Bank form, or signed by any one during the time of your discussion with him *re* Smith or in connection with your own fees? A. No, sir, I did not.

Q. Because it will be shown that there were three blank cheques sent down to him here? A. In regard to the cheque which he gave us I feel perfectly certain that it was not on the Farmers Bank.

Q. I think you are quite right there, it is a Traders Bank cheque? A. It was not on the Farmers Bank, I feel certain and I never saw any other cheques.

Q. Probably these were Traders Bank cheques, they were keeping their account in the Traders Bank then. Mr. Travers said he paid $1,800 to Smith by cheque? A. My recollection is that it was a three months' note.

Q. That is what I suppose somebody told you, you did not see it? A. Mr. Smith told me that was the terms of the settlement.

Q. You did not hear from Mr. Travers? A. No.

MR. COMMISSIONER: Where is Smith? A. I could not say. He was in Vancouver the last I heard of him.

MR. HODGINS: I think he helped to get subscriptions for the Vancouver Bank? A. Yes.

Q. And he is out there now? A. Yes, he is doing business out there now.

Q. Perhaps you can tell us whether your brother, Mr. Hugh Guthrie, M.P., was in town in Ottawa at that time? A. I am perfectly certain he was not.

Q. At all events the Mr. Guthrie that was seen was yourself? A. Yes, myself, a member of the firm of Pringle & Guthrie.

W. S. CALVERT, Sworn, Examined by—

MR. HODGINS: You were Member of Parliament in 1906? A. Yes.

Q. Still? A. No.

Q. You were at all events a member of Parliament during the Session of 1906 which began some time in November? A. I was from 1896 to 1909.

Q. Do you know W. R. Travers? A. Yes.

Q. How did you become acquainted with him? A. The first time I met Mr. Travers was in the Russell House by letter of introduction from Mr. Thomas Urquhart, Ex-Mayor of Toronto, he had evidently given a letter to Mr. Travers asking me if I would be good enough to introduce him to the Minister of Finance as he did not know him.

Q. Do you remember when that was? A. That would be about the time he received the certificate, I suppose 1906.

Q. You had not known him before? A. I never met the gentleman before.

Q. He presented a letter to you, what did you do for him? A. He sent up to my room and I told the boy I would see him when I came down, and I was going up to the house, so I suggested that he would walk up with me, and we called at the office of the Finance Minister and waited a few minutes till he came in, and I introduced him in accordance with the request of the letter.

Q. How long did you stay with them? A. Probably two or three minutes.

Q. Is that all? A. Yes.

Q. Did you vouch for him at all to the Finance Minister? A. I knew nothing of the gentleman except what the letter said.

Q. What did you tell the Finance Minister about him? A. I presume I said, "This is Mr. Travers, as Mr. Urquhart has advised me by letter, who is probably in connection with the Farmers Bank", and about his business there, that was for Mr. Fielding to decide.

Q. Nothing you said to him would tell Mr. Fielding much about him? A. No, because I knew nothing of him whatever.

Q. You did not profess to give him any certificate of character? A. I had never heard of the gentleman before.

Q. Was that on the same day he got his certificate, do you know? A. I could not say that, I do not know how long it was after that he received his certificate, but I presume it must have been some days later than that.

Q. He was not in Ottawa on the 27th; he swore an affidavit in Toronto on that day? A. I cannot tell you anything about the date because I made no note of it; I was not interested except to carry out Mr. Urquhart's suggestion.

Q. Your name was mentioned by him as one of the Provisional Directors on the prospectus which he attached to his affidavit? A. Was that at the time he applied for the certificate?

Q. Yes? A. I cannot help that.

Q. Did you know it? A. I did not know it. The only thing I knew about it was I had a phone message from Mr. Lindsay, I think it was, from Toronto, asking me if I would go on the Board.

Q. W. J. Lindsay? A. Yes, and my recollection of it would be that was the time they were forming their Board after they had their certificate, and probably the first meeting of the Board.

Q. You think it was after they had got their certificate? A. I cannot say positively; that is the only recollection I have of it. I said no, that I had no interest in the Farmers Bank, I had no stock in the Farmers Bank, and that I did not wish to have anything to do with it.

Q. This was after you had introduced Mr. Travers to the Finance Minister? A. I think so, it must have been, because I did not know Mr. Travers before.

Q. How would it be possible they would give your name on a prospectus

issued prior to the 27th November, 1906? A. I have not the slightest idea how it could be done, I cannot give the dates, whether it was before or after because I paid very little attention to it.

Q. If Lindsay states that you had given him authority to put your name on what would you say to that? A. I would say Mr. Lindsay was mistaken; I believe they did put it on because I saw it in the papers and as far as I remember I had to write and ask them to please remove it as I did not wish it to be on.

Q. Did you see Mr. Fielding after the interview at which you introduced Mr. Travers? A. In regard to this matter?

Q. Yes, in the next few days? A. I do not remember of ever having a word with Mr. Fielding after I introduced him with regard to this matter.

Q. When did you first hear they had the certificate? A. I cannot tell you that.

Q. Did you interest yourself in it at all? A. Not in the slightest.

Q. You did not go over to Finance Department? A. No, never except that once.

Q. To assist Mr. Travers? A. No, not that I remember of.

Q. You were Liberal Whip at the time, were you not? A. Yes.

Q. Did Mr. Travers ask you to assist him? A. I do not recollect of Mr. Travers asking me anything excepting the letter he presented when I introduced him to Mr. Fielding.

Q. Mr. Travers says that he told you there was some delay in getting the certificate and asked you to give him some assistance, and that you took him down to Mr. Fielding, and that you had an interview there for about 15 minutes, and perhaps half an hour or so? A. I think that was the first time.

Q. That is the time of the introduction? A. Yes, I do not remember of any other.

Q. Would you be fairly describing it in that? A. I left him there with Mr. Fielding and went over to the House. My recollection of it is I only remained a few minutes because I knew nothing of the matter whatever.

Q. He is asked: "Q. Did he assist you? A. He said everything he could favorable to me at the time, and did what he could to induce the Minister"? A. The only recollection I have of what I said is, "This is Mr. Travers, if he has everything proper and legal I presume he would be entitled to his certificate", that is all I can recollect I said in regard to the whole matter.

Q. Is it unusual for the Whip to interest himself in these matters with Ministers? A. Not unusual, but in this case I did not happen to be very much interested.

Q. It is said he has very considerable influence when he does? A. I do not know that he has more than another member but in this case I was not interested in any shape or form, I did it at the solicitation of Mr. Urquhart, whom I knew very well.

Q. Had you any money dealings with Travers? A. Yes—

Q. At that time? A. No.

Q. Or afterwards? A. About three years afterwards, yes, business transaction purely.

Q. I do not know that I want to go into that? A. You may if you like.

Q. But probably as it has become public you may as well tell us about it; when was it? A. It was in July, 1909, about three years after this certificate was issued. I happened to be in Toronto, I was interested in connection with the Thermos Bottle; I had some interest in connection with that and I had asked one or two friends to join me in buying out the Thermos Bottle Company, of Montreal, of which Mr. R. J. Copeland is one. I left Mr. Copeland's office and dropped into the Farmers Bank and said, "Can I get two or three thousand dollars if I require it on a business proposition?" He told me I could.

Q. Had you seen him between November, 1906, and January, 1909? A. I had never seen Mr. Travers except once or twice at the King Edward Hotel in a casual way.

Q. Did he say yes before you told him what the business proposition was? A. No, I told him what the proposition was.

Q. What did you get in that way? A. I got $3,000 on a demand note.

Q. Made by yourself alone? A. Yes. I have never had anybody join with me on a note yet.

Q. Did you get it that day? A. No, because the business was not concluded that day. Mr. Copeland and myself came to Ottawa, met a gentleman here along with Mr. A. W. Fraser and we closed the deal, and I gave a cheque for $3,000 on the Farmers Bank. The next day I called and gave my demand note for it.

Q. Had you cheques of the Farmers Bank with you? A. No.

Q. How did you give it? A. Simply changed the form of another Bank.

Q. You had no account in the Farmers Bank? A. No, no account then or since.

Q. You gave it here on the Farmers Bank in Toronto? A. Yes.

Q. And went up that night? A. Yes, and gave my demand note the next day.

Q. How long afterwards was that paid? A. I have it right here, $3,000, July 9th, 1909. And on the 22nd of the same month I paid $750 of it. On December 1st, 1909, I renewed the balance for that amount, and I think there was some paid on the back of that.

Q. December 1st, 1909, you renewed the balance, $2,510.82? A. Yes, that was with the interest, and $750 I paid.

Q. You paid $1,000 on the 3rd January? A. Yes.

Q. $1,000 on the 13th June, 1910? A. Yes. Then there is the renewed there is the renewal of the balance, which I paid to the Trust Company; paid to the Trust Company $585.04 December 31st, 1910, making the full payments; there was $100 odd interest.

Q. In the original demand note that is all in your own handwriting I think? A. No, I did not write that. That was made at the Bank; all made by the Bank; I simply signed it.

Q. Look at that "loan W.R.T.", who wrote that? A. I cannot tell you anything about that.

Q. Did you get it from Mr. Travers himself? A. Certainly I did, just as I would from any other Bank.

Q. "W.R.T.".

MR. COMMISSIONER: That is the voucher of the Officer of the Bank? A. Yes.

MR. HODGINS: I want to ascertain whether he wrote it or Travers wrote it on? A. I did not write anything but my name. There is the letter that came with the renewal $2,515.

Q. When did you become Commissioner of the Transcontinental Railway? A. In October, 1909, that was when I left the House of Commons.

Q. The second one is the same, "Loan, W.R.T.", you do not know anything about that? A. No, except I paid it as shown, and I had nothing to do with the Bank or charter directly or indirectly in any shape or form, but purely my own business.

Q. The last one was paid to the Trust & Guarantee Company, who notified you they were the holders of the note? A. Yes.

Q. And that you paid? A. Yes, and they returned me the note.

Q. I think you did assist Mr. Travers in connection with the Customs Department at one time? A. Yes, he asked me in regard to the matter of a boat coming in.

Q. That was after this loan? A. I presume it was.

Q. The following month, it was in the summer of 1909? A. I cannot give you the date; I have had a great many applications from people for one thing and another; however, it was in the hands of the Customs men to decide the question.

Q. You did interest yourself? A. I simply told them what he advised me with regard to the boat and the age of it, and so on, and it was ascertained afterwards that they had really charged him quite sufficient.

Q. The effect of the correspondence was that you asked them to value it for the purpose of entry here at $1,000? A. That is what he said it was worth.

Q. That is what you asked should be done? A. Yes.

Q. I have the date of that, 18th August, 1909, would you say that would be it? A. Yes, that may be it. That had nothing to do with this, because this was purely a business transaction for which I paid.

Q. Had you any interest in Colonel Munro's bank, the one who became President of this bank? A. Not the slightest.

Q. Or dealings with them? A. Not the slightest.

Q. Colonel Munro lives at Embro? A. Yes, or did live there.

Q. Is that anywhere near your home? A. No, quite a ways.

Q. You say you had no transactions with that bank, good, bad or indifferent? A. Good, bad or indifferent.

Q. Did you interest yourself in getting subscriptions for the bank? A. No.

Q. Are you a friend of W. J. Lindsay's? A. Just a casual friend; just happened to meet here; know very little about him, except seeing him over at the House of Commons there; he used to be over there frequently.

Q. He comes from over your way? A. No, he does not come from near my home.

Q. He comes from around St. Thomas, I think; had you any intimate acquaintance with him at all. A. No.

Q. You have never helped him to get any subscriptions? A. Nothing in the world.

Q. Or any one else? A. No, nor any one else.

Q. Is that all your interest? A. Yes, except I introduced the Bill for renewal, that was all.

Q. That is the Bill for 1906? A. Yes.

Q. At whose request was that done? A. I think it was for Mr. Urquhart.

MR. COMMISSIONER: I got the figures of the renewal, $2,500; if you had paid $750, how would it be as much as that on the $3,000 note? A. I think there was $200 I had received shortly after paying the $750, a further loan of $200, and that is what made the difference.

Q. About this Customs matter, the way the question was put to you it was as if you had asked the Customs authorities to value this boat at $1,000, is that the way you put it to them? A. I cannot recollect exactly what I said. My recollection is that Mr. Travers said the boat was an old boat—I have forgotten how many years old, a very old boat, anyway—and that he was taking it in as a matter of pleasure; that it was not worth more than $1,000, and he thought if he paid duty on $1,000 it would be all that it was worth.

Q. Did you convey that to the Customs Officer as something coming from him or your own idea? A. I presume it was coming from him, because I did not know anything about it.

MR. HODGINS: I think probably it would be well to put in the letter that was sent to the Customs Department; probably that would settle the terms? A. I do not recollect it.

MR. COMMISSIONER: It was in writing? A. Yes; he said he would not bring it in at all if he had to pay more, because it was not worth it.

MR. HODGINS: I think perhaps it has been published? A. Yes, it was published at the time.

Q. And therefore there is no controversy about it? A. No.

The Commission adjourned at 3.45 p.m., to meet at 4 o'clock this afternoon at the Railway Committee Room of the Senate.

Railway Committee Room, the Senate,

Ottawa, March 13th, 1912.

The Commission continued its session at 4 p.m. in the Railway Committee Room of the Senate.

RT. HON. SIR RICHARD CARTWRIGHT, sworn, examined by—

MR. HODGINS: You were a member of the Treasury Board of the Government in 1906? A. Yes.

Q. The certificate was granted by the Treasury Board, apparently, on the 30th of November of that year? A. Yes.

Q. Have you any recollection as to whether a meeting of the Treasury Board took place prior to the issue of that certificate? A. I think so. My recollection is that the matter was discussed at a meeting of the Treasury Board; that is to say, the question of issuing a certificate to the Farmers Bank was discussed at some meeting, but whether at that meeting they ordered the certificate to issue or not I could not say.

Q. I may tell you that the minutes of the Treasury Board that are produced prior to the 30th of November showing meetings extending during the month of October contain no reference at all to the Farmers Bank matter? A. That might easily occur.

Q. And Mr. Boville thinks it did not come up at that time? A. That might easily occur; I am speaking from recollection at this distance of time, but my recollection of the matter is that the question of giving a certificate to the Farmers Bank was discussed at some meeting, and I think that, probably, though there I am not quite positive, I think that probably this is what occurred: that the Treasury Board demanded if the various legal formalities had been complied with, and that it was understood that so soon as they were reported to be complied with that a certificate would issue; and we could not meet very often for various reasons at that time; many of our members were away; I remember that; after that a minute would be sent—this minute you speak of is probably initialled?

Q. Yes. A. That would mean that the Treasury Board could not meet; that the thing was sent round to two or three who would constitute a quorum and they would initial it, but that was hardly ever done unless the thing had been previously discussed.

Q. The effect of the previous discussion would be, as I take it, that if the legal formalities were complied with, the certificate would issue? A. That was the usual course, and that I think was what must have occurred.

Q. Would that necessitate the Treasury Board feeling itself obliged to go into the details, or would they act upon the report, say, of the Deputy Minister of Justice and of the Deputy Minister of Finance? A. That is all they would be likely to inquire into.

Q. In other words, the matter of the details would be left to the Finance Department? A. Yes, we would act on the initiative of the Finance Department exclusively; our business we considered would be to see that the legal details were complied with.

Q. Sir Richard, you would not, I suppose, yourself endeavor to ascertain by examination of the documents whether the legal requirements had been complied with? A. No, we would leave that to the Minister of Justice to report to us, or the Deputy Minister of Finance as the case might be.

Q. This appears to be the minute which is produced? A. I have no doubt it is as I told you.

Q. You see the initials there? A. The probability is (of course I can only speak of it as a probability) the probability is that the application had been considered at an ordinary meeting and that an understanding had been reached that when the full legal formalities had been complied with that should issue.

Q. If no meeting of the Treasury Board occurred between the time that the money had been deposited and the 30th of November, that would hardly have occurred, it would not have come up for consideration? A. I do not quite follow you.

Q. The deposit of the money with the Bank of Montreal and forwarding it to the Finance Minister is the first step that is taken preceding the application for the certificates of the Treasury Board? A. As a rule, yes.

Q. And if no meeting of the Treasury Board is recorded between that date and the 30th of November, would you say that it was possible that it might not have been considered at a meeting of the Treasury Board? A. I am speaking of my recollection of it, and my recollection of it is that the matter was mentioned at a meeting of the Treasury Board, but the exact date of it must have been prior to this minute that you showed me now.

Q. Would it be formally mentioned or informally? A. We do not keep a minute record of all the discussions and conversations that take place at the Treasury Board. A vast number of matters are brought up before us, sometimes we have had to deal with two or three hundred.

Q. You would not at all events expect that the discussion would take place at the Treasury Board prior to the application of the party interested for the issue of the certificate? A. No, I should say not.

Q. Then your recollection I suppose would be governed to a certain extent by whether or not a formal meeting did take place in the interim? A. I think it did.

Q. The reason I ask you that is, would it be possible that what you are speaking of would be some informal meeting or some discussion between yourself and perhaps some other member of the Board and the Finance Minister? A. Three will constitute a quorum, and I do not think any informal discussion did take place or could have taken place except at the Treasury Board; I have no recollection, in fact I am almost certain that that could not have occurred. If it was mentioned it must have been mentioned at the Treasury Board meeting.

Q. And your recollection is that it was mentioned? A. Yes.

Q. And it was mentioned at a meeting prior to the 30th of November, whe this minute appears to have been as you say sent around and initialled? A. Ye

Q. Beyond that one meeting occurring as you think it did, there would be n other occasion that the Treasury Board considered it? A. Not in my presence I am not quite sure how many of those meetings I might have attended or not there are six members of the Board and three constitute a quorum.

Q. Mr. Boville, I think, was Secretary of the Board during that time? A. Yes.

Q. He told us Mr. Courtney had resigned and he was acting in his place until he was appointed Deputy Minister? A. Yes.

Q. So that he would of course know when the meetings took place, formal meetings? A. A record of that would be kept. Every formal meeting almost invariably transacts a certain amount of business and that is duly minuted and sent up to Council for confirmation.

Q. If it needs confirmation? A. It almost invariably does, I think in all cases that the minutes of the Treasury Board have no force until they are approved by the Governor in Council.

Q. I think the certificate to a bank is the action of the Treasury Board alone? A. You can look at the Statute and see.

MR. COMMISSIONER: That was Mr. Boville's idea? A. Mr. Boville ought to know, but my impression is we sent up everything that we passed at the Treasury Board.

MR. HODGINS: He said that probably 99% would go to the Council because they needed confirmation, but that a certificate to a bank would be one of those cases which need not go? A. It would be under the Statute.

HON. MR. BRODEUR: What about insurance?

MR. HODGINS: Yes, insurance.

Q. Could you tell me as a matter of memory whether in connection with the Farmers Bank you ever heard of any litigation which was notified to the Department? A. No, of that I am quite certain I did not from any party.

Q. Did you hear of any information having reached the Department of the Finance Minister as to the method of raising the money to deposit with the Finance Minister? A. To the best of my recollection nothing at all.

Q. In fact I take it that so far as the details are concerned they never came before you? A. All that the Treasury Board as far as my recollection goes in this or in other cases would do would be to see or to inquire whether the legal formalities had been complied with.

Q. Following that up we know that the Deputy Minister of Justice advised on the 28th of November on documents which arrived here on that date, because they were sworn in Toronto on the 27th, then this is issued on the 30th, could you say whether you had or had not when this memorandum was sent round the documents on which the Deputy Minister had advised or given his opinion that it could be issued if they were accepted? A. That I could not say from recollection, I don't think we had.

Q. I suppose if this were sent around this would first be initialled by Mr. Fielding? A. Generally, yes.

Q. You would not expect to sign it first if it emanated from the Finance Department? A. Not if he was present.

Q. I suppose if you found it signed by him you would then sign it without insisting you should see—? A. All that I would be likely to require in a case of that kind unless under very special circumstances would be the assurance of his Department that the legal formalities had been correctly carried out.

Q. Would that be certified to you from the fact that Mr. Fielding himself had initialled this minute before it reached you? A. We would so consider it.

Q. Was there any system of notification of the members of the Treasury Board so that it might be properly called each time it met? A. Yes, as a rule notices were sent to us from the Finance Department calling a meeting at such and such an hour on such and such a day.

Q. That of course would not apply to a case such as this where the minute is sent around? A. I presume that there may have been difficulty owing to pressure of business in getting the Treasury Board together; it is only under such circumstances. That is rather exceptional, it is not often that a minute of that kind is signed.

HON. L. P. BRODEUR, sworn, examined by—

MR. HODGINS: You were a member of the Government and of the Treasury Board in October and November, 1906? A. Yes, sir.

Q. I do not know whether we can shorten it by asking you, having heard Sir Richard Cartwright's evidence whether your own would be the same upon the same points or whether in any matter your recollection differs from his? A. I must admit very frankly that I have not any distinct recollection that even I signed that document until I saw it yesterday; I think Mr. Thompson called my attention to it. You see we have so many of those questions which come up, and I must tell you very frankly I do not remember the case of the Farmers Bank, but I am sure I had something to do with it since I signed it; but there are so many cases of that kind that I am not liable to remember exactly what occurred in connection with this case, and I suppose with regard to others.

Q. Have you any recollection following what Sir Richard said about the matter having come up for discussion at a meeting of the Treasury Board? A. I have no recollection with regard to that; it might have happened when I was not there, and we might have had some meetings outside. Generally we met in the office of the Finance Minister in the eastern block; sometimes we met in Council, sometimes we met in the ante-chamber of the Council, sometimes we met in his room across the Commons; I have no distinct recollection; and besides it was a matter which was not concerning me particularly, this matter of the Farmers Bank, so I do not remember exactly the circumstances connected with it.

Q. Really your evidence would come to this, that you have no recollection at all of the matter, and would not have recollected that such a thing had gone through unless you had seen your initials? A. I do not say what Sir Richard said is not correct, quite the reverse, because he might have a better memory of those circumstances; it was a matter coming from Ontario and he was supposed to give more interest to the matter than I. Of course when I signed the document I must have made some inquiry as to the nature of the document and how it came about, but to tell you that I remember some particular instances I do not.

Q. You have no recollection, as I take it, at all, and if you had not seen these initials on of yours you would not have supposed—? A. I would have forgotten I had signed it.

Q. You would not have even remembered the Farmers Bank had come up before you? A. Yes, that is right.

Q. So that I suppose we may take it that Sir Richard has described pretty well how the document would come to be signed? A. Yes, although it was not entered through the minutes of the Treasury Board we were discussing informal questions there at the meeting of the Treasury Board and later on a minute would be made, and it would be probably passed upon that.

Q. That is argument, not recollection? A. That is the way that would be done.

Q. You know that possibly in other cases and possibly in this it may have happened in that way, but you have no recollection about it? A. No.

Q. You cannot throw any light on the real details of the case? A. No.

Q. Or what you had before you when you did sign this? A. No.

Q. You heard of no litigation pending in connection with this matter? A. No.

Q. Nor of any question as to how the money was being raised? A. No, generally rely on Mr. Fielding with regard to those questions.

MR. COMMISSIONER: At some stage communication should be had with Mr. Fielding in order to ascertain whether he desires to be heard to give his evidence.

MR. HODGINS: Yes, I think that would be very desirable; I would be very glad to have him give evidence.

MR. COMMISSIONER: Perhaps Mr. Thompson might speak to—I do not know whether that would be wise—his former chief, and find out whether he thinks Mr. Fielding would desire to be heard. I think it would be better to find out if he desires to state the circumstances under which the certificate was issued.

MR. HODGINS: One might not get Mr. Fielding's own mind.

MR. COMMISSIONER: I should fancy it is very probable you would get the answer he thought he would; but I do not know.

MR. THOMPSON: If I can find his address in London I could wire.

MR. MIKEL: You could see Sir Wilfrid first and see what he says. I should think it would be very important to have Mr. Fielding's evidence.

The Commission adjourned to meet at the Court House, Ottawa, March 14th, 1912, at 11 A.M.

THE COURT HOUSE, OTTAWA, MARCH 14th, 1912.

The Commission resumed its sittings at 11 A.M. in the Court House, Ottawa, March 14th, 1912.

PRESENT:

The Commissioner, SIR WILLIAM MEREDITH.
FRANK E. HODGINS, K.C.
JOHN THOMPSON, K.C.
WILLIAM LAIDLAW, K.C. and I. E. WELDON.

MR. HODGINS: I have a letter from Sir E. Clouston saying that he is unable to travel at present owing to an attack of neuritis. "In any case", he says, "The secretary of the Bankers' Association will be with you and he is more thoroughly informed about all matters connected with the bank than I am". Mr. Knight is here, and it may be possible to get along without Sir Edward Clouston.

MR. COMMISSIONER: I do not see what you want him for; you have all he did, all that is relevant, have you not?

MR. HODGINS: No, we have not, as I am instructed.

JOHN KNIGHT, Sworn, Examined by—

MR. HODGINS: You are the secretary of the Bankers' Association? A. Yes, sir.

Q. Which is incorporated by Act of Parliament and has certain powers? A. Yes.

Q. And you were secretary in October and November, 1906? A. Yes.

Q. Do you remember taking any step with regard to the Farmers Bank in November or December 1906? A. No, I think it was in January, 1907—I am doubtful, but the bank was in operation.

Q. I am told that the date as sworn to in the other matters, of your interview in Toronto is the 18th December, 1906? A. At all events I was at its birth and at its death.

Q. There was only one interview you had with Beattie Nesbitt and Mr. Travers at Toronto in the bank? A. Yes.

Q. Shortly after the certificate had been granted? A. Yes.

Q. If you cannot recollect the exact date I will have to prove that by some one else? A. Yes.

Q. What was the occasion of your visit? A. Ostensibly to examine the circulation, the supervision of which is entrusted to the Association, and my purpose was to prove if there was any justification for the suspicions that we had that the stock list was not what it should be, and if possible to obtain cancellation of the certificate on the ground that it had not been granted according to the Act.

Q. Did you go to Toronto then? A. Yes.

Q. Your headquarters were in Montreal? A. Yes.

Q. And visited the bank premises? A. Yes.

Q. Who did you see there? A. Beattie Nesbitt and Travers.

Q. What was Beattie Nesbitt's position? A. President.

Q. And Travers? A. General Manager.

Q. What took place between you? A. Our interview followed a visit of mine to the bank where the money paid in by the so-called shareholders was deposited.

Q. What bank was that? A. The Traders Bank.

Q. What occurred when you saw these two gentlemen? A. I found that the amount deposited was not nearly sufficient to warrant the supposition that the money had been deposited at Ottawa, so I went to the bank and saw Mr. Beattie Nesbitt and Mr. Travers; of course it was not a very pleasant interview.

Q. Explain that a little more, you went to the Traders Bank and found out? A. My object there would be the object of any bank man, to ascertain if the money supposed to be deposited pending the granting of the certificate had been made.

Q. What did you find from the records there? A. I found a shortage.

Q. To what extent? A. Speaking from memory about $100,000 which later events have proved was the case.

Q. How much did you find on deposit there? A. About $150,000.

Q. To the credit of the Farmers Bank? A. Yes.

Q. Then come to your interview which was not a pleasant one? A. No, it was decidedly unpleasant. Dr. Beattie Nesbitt was blustering and contended that the Association (and very properly) had no right to inquire into anything except the circulation. Well, I insisted upon having certain questions answered, and Mr. Travers and Dr. Beattie Nesbitt at last produced a very satisfactory looking stock list, and I then, you may as well have the entire story, telephoned my suspicions to Ottawa.

Q. I want to get it step by step; they produced an unsatisfactory list, did you look at it? A. Yes.

Q. Did you examine the books of the bank? A. Yes, such as they were.

Q. What did you find in the books of the bank? A. A stock list—

Q. MR. COMMISSIONER: I do not think that is the proper way to prove it; we must get the original sources.

MR. HODGINS: I propose to.

MR. COMMISSIONER: I won't allow any examination as to the contents of these documents or books.

MR. HODGINS: Mr. Knight will have to attend in Toronto. I do not see why he cannot tell the results of his examination.

MR. COMMISSIONER: It is elementary, he cannot tell the contents of a written document.

MR. HODGINS: I am afraid you will have to come to Toronto? A. I may as well tell you, if you were to show me today what I saw four five years ago I would not swear to it.

Q. You examined some books there, we have that far? A. Yes.

Q. Was that in the morning? A. I think about mid-day.

Q. Was anything else except the stock list and the books such as they were produced to you on that interview? A. I think there was a roll of linen with the names very like a theatrical bill of fare.

Q. What names? A. With the names of the supposed contributors to the stock.

Q. Had you any conversation with regard to either the books or the stock list or the results of your examination either with these two gentlemen? A. Yes, a great deal.

Q. What was the conversation? A. Not nice.

Q. So far as it relates to this matter and as a matter of business let me have it.

Q. I told them that to the best of my knowledge and belief there was something wanting and I asked for proof and I did not get it.

Q. Did you define what the something was? A. I wanted to know where the missing $100,000 was.

Q. You wanted to prove, you say? A. Yes.

Q. Did they allege anything about it? A. Yes. The rest of the story has been made known in the Courts of Toronto; they borrowed.

Q. What did they say about it? A. They said nothing except that I believe (I am just stating from memory) I believe they hinted that Mr. Stratton representing the Trust Company could show that they had the necessary amount on deposit at that Trust Company, in fact I think I saw a receipt.

Q. At that interview? A. No, I think there must have been two interviews that day; I think it was in the afternoon that Travers told me that by going over to the Trust Company I could ascertain the truth of his statement. I then attempted to find Mr. Stratton and I failed until late in the afternoon and I then communicated to Ottawa.

Q. Did you find him though? A. I never found him.

Q. Going back still to that first interview what did they say about this $100,000; if they said anything I want to know what it was? A. I do not know.

Q. You were there asking for it? A. I know that.

Q. Tell me whether any explanation was or was not given on that morning interview? A. They claimed that they had the $100,000.

Q. Were you satisfied with their assurance? A. No, I was not.

Q. Was there a second interview? A. I think so, but not with Beattie Nesbitt.

Q. Who was the interview with? A. I think, Travers.

Q. Were you shown anything on the second interview? A. I was shown a certificate of deposit, I believe.

Q. From what concern? A. Some trust company.

Q. Do you remember the name of it? A. It was the one presided over by Mr. Stratton, and at that time managed by Mr. Warren.

Q. That is the Trusts & Guarantee Co.? A. Yes.

Q. For what amount? A. I think $80,000.

Q. Then did that satisfy you? A. No.

Q. Were the inquiries you mentioned a moment or two ago made in consequence of that, your not being satisfied? A. As proof that I was not satisfied I telephoned to Ottawa.

Q. Who did you speak to in Ottawa, who did you call up? A. I called up the Vice-president for this district, Mr. George Burn.

Q. Had you a conversation with him? A. Yes.

Q. How much of what you have told us here to-day did you relate to him over the telephone? A. It was very much condensed; I simply intimated that

I was not at all satisfied, and I recommended that Mr. Stratton might be located in order that he might explain why this money was given to the Farmers Bank, and the conditions under which the loan, if it was a loan, was made.

Q. And did that end your connection with the matter? A. Yes, with the birth of the bank.

GEORGE BURN, sworn, examined by:—

MR. HODGINS: You are the Vice-president in this district of the Bankers' Association? A. Yes.

Q. Have you a recollection of a telephone from Mr. Knight, the last witness, some time in December, 1906, in connection with the Farmers Bank? A. I remember receiving a telephone from him; I do not know the date.

Q. Can you fix it at all? A. No, it would be impossible for me to fix the date at this distance of time; to the best of my recollection the telephone was received in the evening.

Q. Do you know whether the certificate had issued to the Farmers Bank before the telephone message to you? A. I cannot say positively.

Q. Will you give me what the communication was as you recollect it? A. My recollection of the communication was to the effect that Mr. J. R. Stratton, of Peterboro, was either in Ottawa or coming to Ottawa, and he might possibly be able to afford some information in connection with the Farmers Bank.

Q. In relation to any particular object? A. More particularly in relation to the raising of money by the discount of notes, or something of that sort.

Q. For what purpose? A. In connection with the furnishing of money on the notes of the shareholders for the purpose of securing the certificate, I understood.

Q. Is that all you recollect Mr. Knight stated or did he give any details of what he had seen or heard in Toronto? A. I have no recollection of anything else taking place in connection with that.

Q. In consequence of that, did you do anything? A. I informed the Minister of Finance.

Q. Mr. Fielding? A. Yes. My recollection of that part of it is from the fact that I saw Mr. Fielding that evening.

Q. What did you say to him? A. I told him that Mr. Stratton was either coming or was then in Ottawa, at the Russell House, I believed, and that he might be able to afford some information with regard to the stories which were then current as to the raising of money in connection with the discount of the shareholders' notes.

Q. Had you anything more yourself to do with the matter after that interview with the Finance Minister? A. No.

Q. You did not take any steps yourself? A. No; you mean with regard to seeing Mr. Stratton?

Q. Yes? A. No.

Q. Or take any further steps in regard to it? A. No.

Q. Did you make any inquiries afterwards as to what, if any, action had been taken by the Minister? A. I was told that the Minister had seen Mr. Stratton and did not get very much information from him; he had promised to write him.

Q. And did you not intervene, yourself, actively at all other than what you have told us? A. I did not.

MR. COMMISSIONER: I do not quite understand what you went to Mr. Fielding for; what did you go to him for? A. I thought he might get more light on the subject.

Q. From Stratton? A. From Stratton, yes.

T. C. BOVILLE, Examination continued.

MR. HODGINS: I do not know whether you can enlighten us at all with regard to that date Mr. Knight telephoned Mr. Burn; Mr. Burn said he saw the Minister of Finance, do you know anything about the time, was it brought to your attention? A. Not specially; I may have had a casual knowledge of it, it was not specially brought to my attention.

Q. Can you assist us in fixing the date?

A. I don't think I could be of any assistance to you.

Q. Had you occasion to see Mr. Stratton, do you know, in December in connection with that? A. No, I had no connection with the Stratton incident at all.

Q. Is this something you have brought this morning? A. They are some Orders in Council. There is the Order in Council in regard to a quorum.

Q. You produce then copies of three Orders in Council which I will put in as one exhibit. The first one is the 13th July, 1896, constituting the Treasury Board; this is the one that fixes the quorum. The second one is dated the 10th July, 1905, constituting Sir Richard Cartwright, Hon. Mr. Prefontaine, Mr. Paterson, Mr. Brodeur and the Minister of Finance, as Chairman, members of the Treasury Board. The last one is dated the 20th July, 1906, appointing Mr. Fisher. Did he replace Mr. Prefontaine? A. That I could not say. Mr. Prefontaine had died in the meantime I fancy; speaking from memory I think he died about 1906.

Q. It is not stated in the minutes that he replaces any one? A. No. —The three Orders in Council, dated respectively July 13th, 1896, July 10th, 1905; and July 20th, 1906, filed and marked as Exhibit 4.

Q. What was dealt with on that day the 26th October? A. Insurance only.

MR. COMMISSIONER: Are we not having copies of these minutes?

MR. HODGINS: Yes, I think we ought to have copies of the 24th and 26th October.

MR. COMMISSIONER: Let it be understood that certified copies of these may be put in.

MR. HODGINS: I want to put in this return; this is the Return? A. Yes, 110 B and C.

Q. That contains quite a good deal of the contents of the files? A. Yes. —House of Commons Return 110 B and C marked as EXHIBIT 5.

Q. There are one or two papers that I want that I think are on this file and are not in this Return Exhibit 5; I will be glad if you will run over them with me? A. Very well.

Q. I see here is a memorandum dated the 30th November, 1906, which is not copied, signed by yourself? A. That is a memorandum to the Minister.

Q. I would like a copy of that; was that supplied to the Minister? A. Yes, for him; it practically takes the place of a verbal communication between the Minister and myself.

Q. You said yesterday that what was handed to the Minister was the affidavit of Travers with the Exhibits referred to in it? A. Yes.

Q. Looking at this certificate would you still think that that was so, or was the certificate what you handed to him? A. That was also handed to him. What I said was correct with this; that takes the place of a verbal communication with the Minister.

Q. There is here a copy of an original document returned to Mr. McCarthy, 7th November, 1906; this is a copy? A. Part of the papers which were returned.

Q. It is a copy of the endorsement on the writ of summons? A. I presume it is, that is what it purports to be.

Q. You recognize it as a copy of the endorsement on the writ? A. Yes.

Q. You had retained that when you sent Mr. McCarthy the original. Here is one dated December 12th, 1906, from yourself to E. S. Clouston; that is not copied

in the Return: "I return herewith the letter from your Toronto manager which you were good enough to send me with your letter of the 10th inst. for my private information, etc.—" is that signed by you or Mr. Fielding? A. Signed by myself, that was a personal letter.

Q. Where is that letter; the letter itself was returned, but did you keep a copy of it? A. I possibly have a copy of it somewhere amongst my private papers.

Q. I understood that was on the file within a week? A. It is a private personal letter.

Q. It has been removed from the file? A. Yes.

Q. Why was it on this file? A. A memorandum for myself.

Q. Before its production here? A. Private and personal, purely personal.

Q. I understood it was a letter from the Toronto Manager of the Bank of Montreal to Mr. Clouston? A. Private letter from his Toronto Manager to Mr. Clouston and enclosed in a personal and private letter from Mr. Clouston to myself.

Q. Why did you make a copy of it for the file? A. Merely as a memorandum for myself.

Q. Why was it removed from the file? A. Because I did not think it had any relation to the file, being private and personal.

Q. You got that copy? A. Yes.

Q. I would like to have that produced; I expect Mr. Braithwaite here and I intend to examine him upon it? A. Very well.

MR. HODGINS: There are quite a number of documents on the file which are of a much later date, which refer to the matter I suggested yesterday, that is communications in that Tevis matter which took place in Syracuse and evidence as to which I will have to give in Toronto. These communications were made by the Superintendent of Insurance in the State of New York to the Department of Finance. I take it that under your ruling at present it would be unnecessary to go into this matter here. I see the force of your objection under the wording of the Commission and I would just like to run over these with Mr. Boville, so that we may have a list of them if it is necessary.

MR. COMMISSIONER: Let Mr. Thompson do that. You need not do it here now.

MR. HODGINS: Very well, he can do that. A. Mr. Thompson can have access to them at any time.

MR. COMMISSIONER: Is it at all suggested that this transaction in Rochester had anything to do with the failure of the bank?

MR. HODGINS: Yes, that will be part of the evidence in Toronto.

MR. COMMISSIONER: What could it possibly have to do with the failure of the bank? It showed the curious methods adopted by the management, that was all.

MR. HODGINS: Oh yes, it did.

MR. COMMISSIONER: It eventuated in nothing.

MR. HODGINS: I am not quite so sure that that did not affect the credit of the bank. I am not sufficiently informed as to the whole detail to be able to pronounce upon it at the moment, and that is why I would like to have a memorandum of these.

MR. COMMISSIONER: Let Mr. Thompson go over them and Mr. Boville will no doubt give all you ask for.

MR. HODGINS: There is just one memo here that I saw in going over the file, and I would like to ask you about it as a matter of interest; that is a memo of your own, is it not? A. Yes, in my handwriting.

Q. And you say in that memo that "The Farmers while not in the best position is not in such desperate straits as the Toronto bankers imagine". Would

that be made in 1909, in connection with the attached letters? A. Possibly; this seems to be just a jotting of what some one may have said; I do not know who said it.

Q. You have just put your initials at the bottom? A. Just to show it was put there by myself.

Q. Had you any information, were you intimately acquainted with the Farmers Bank so as to be able to write a memorandum like that? A. This is not my expression of opinion; that is meant to be the expression of some one to whom probably I had been speaking in the matter. We often had from time to time all through that period of the panic, we have had various conversations over the Farmers, one way and another, and that is a memo of probably what some one has said to me; not my own opinion.

Q. It is your handwriting? A. Yes.

Q. "From subsequent inquiries *re* annexed letter the genuineness of the supposed receipt has been denied by the General Manager of the Farmers and its relation to a mining deal at Haileybury is not established. The latter is only for small amount, $20,000 and is one of Dr. Beattie Nesbitt's deals. The Farmers while not in the best position is not in such desperate straits as the Toronto bankers imagine"—that is somebody else's gossip? A. Yes, it was not my opinion.

Q. Would that have been put down just about the date, December 1909? A. I think that had something to do about the deposit receipt.

Q. The Syracuse matter? A. No, it did not matter. There had been a rumor abroad that a certificate of the Farmers was being hawked around the country and probably I had been making some inquiries from some one who knew.

Q. You put that on the file? A. Yes, but that had no relation to the file. That is one of those things which should disappear. In the Department we often put a memorandum.

Q. About banks? A. Other things; all sorts of things; merely for aid to memory.

Q. On the next file there are communications between the bank and the Department of Finance arising out of Mr. VanKoughnet's letter which is in the printed exhibit, and subsequent returns called for by the Government, explanations from the Traders Bank and so on; I understand that that, you think, under the Commission is not relevant to the inquiry.

MR. COMMISSIONER: No, I do not think so.

MR. HODGINS: Mr. Thompson might also make a note of those, so that if anything transpires later we might know what they are.

Q. This file is the one in connection with the liquidation? A. Yes.

Q. So that the same remarks might apply to that? A. Yes. Any document of which you want a copy you can obtain it through Mr. Thompson.

Q. Have you the cheque that was returned to Mr. Travers? A. Yes.

Q. You produce cheque for $245,000.

MR. COMMISSIONER: That is for the money returned? A. Yes, the Finance Department's cheque.

MR. HODGINS: Dated the 30th November, 1906: "Pay to the order of the Farmers Bank of Canada $245,000. Signed T. C. Boville," that is addressed to the Bank of Montreal, Ottawa; are those cheques payable at any branch bank of the Bank of Montreal anywhere? A. They are payable anywhere, practically, payable anywhere under the terms of the Bank Act.

Q. That is endorsed to the order of the Traders Bank by Travers as General Manager, and appears to have been received there on December 3rd, 1906? A Yes.

Copy of cheque dated the 30th November, 1906, for $245,000, from the Finance Department to the Farmers Bank, with endorsement, and stamp of Traders Bank to be filed as EXHIBIT 5A.

MR. BOVILLE: Do you wish copies of all these minutes? They are lengthy?

MR. COMMISSIONER: I do not know that it is necessary to put in something hat has no reference to this matter.

MR. HODGINS: It may be sufficient if Mr. Boville will go over the minutes nd say that no record appears of anything in connection with the Farmers Bank.

MR. COMMISSIONER: He has said that now. A. I have said that already.

MR. HODGINS: He refers to the meetings of the 24th and 26th October? A. Ieetings immediately prior to the 30th November.

MR. HODGINS: The printed Return shows the letter of Sir Edward Clouston ated the 30th November. I think you said that would be received the next day? A. In the course of the mail, yes.

Q. The money that was deposited by Mr. Travers, that was sent by Mr. Travers; a copy of the letter is in and is dated the 23rd October? A. Yes.

Q. And the receipt is the same day; you acknowledged that on October 24th, hat would show when you received it? A. Yes.

Q. And then when would the matter come up? I see you wrote Travers on he 24th, acknowledging the money and pointing out that there was opposition? A. Yes, that deposit has to be made under the Bank Act a month before the rganization.

Q. And you then wrote Mr. Travers saying that opposition had been filed? A. Yes.

Q. And you got his letter dated the 29th October? A. Yes.

Q. That would reach you in due course of mail on the following day? A. Yes.

Q. And that is what brought forth your answer of the 31st October to Mr. eighton McCarthy apparently, and of November 2nd to Mr. Travers? A. Yes.

MR. COMMISSIONER: When you mentioned opposition what did it refer to? A. Mr. McCarthy's communication.

Q. I gathered from what Sir Richard Cartwright said yesterday that his ecollection of the practice was that his initials did not appear upon the minute here there had been a formal meeting held? A. Yes.

Q. That when it was impossible to get the members together, the practice as for the Finance Minister to initial and then for enough to make up a quorum o initial also; does your memory agree with that? A. If you will let me explain he method of procedure in connection with the Treasury Board. There are very arge quantities of business to be dealt with, there are regular meetings of the Board which occupy probably two hours or two and a half hours' time. As a rule hese are called by special notice and the minutes in those cases are prepared and igned by the Minister of Finance and they are usually sent on to the Privy Council. There are cases when there are very small amounts of urgent business, nd in the rush of the session very often a meeting will take place either in the Privy Council Chamber or in the ante-chamber or in the House of Commons, it requently happens; in those cases I may not be present, and the minutes in those ases are generally initialled by the members present as a verification to myself hat there has been a meeting. I fancy what was done in this case of the Farmers Bank, and I think Mr. Fielding's statement in the House of Commons would ear me out, it was in the rush of the session, it was one item of business, he robably most likely had the papers with him, at two o'clock at a meeting of the Privy Council—there is a standing order for the meeting of the Privy Council luring the session at two o'clock—he probably had the papers with him at two 'clock, and whether he consulted the whole Council or not, I do not know, but he vidently consulted the members of the Treasury Board who were present, and hat was why they placed their initial on the document which I produced here.

MR. COMMISSIONER: As I understand you, you handed to the Minister of Finance, your certificate that the papers were in order? A. The cognate documents.

Q. In view of that, and the declaration of Travers that was contained in the papers you sent, how did Mr. Fielding come to write the letter of the 30th November; do you know anything about that? A. It was in consequence of these persistent rumours that were brought with regard to the irregularities, what may be termed irregularities, in the method of obtaining the necessary $250,000; he wanted to make certain.

Q. Did you know Travers? A. No, not personally.

Q. You had no acquaintance with him at all? A. No.

Q. Had you any reason except in so far as suspicion might be cast upon his operations, to doubt his standing? A. None whatever; it seemed incredible to myself that a man who represented a list of shareholders such as he produced and who had been elected to the high and responsible position of general manager by directors should be other than he ought to be.

Q. Did what was done with regard to the issue of this certificate differ in any respect from what was done in the case of similar certificates? A. There was a slight difference, some.

Q. In what respect? A. We demanded from him an affidavit as to the actual amount of cash paid in by each shareholder, which was not done in previous cases.

Q. Ordinarily what would the Treasury Board or what would your Department require before granting the certificate? A. A production of the shareholders' list showing subscriptions to the extent of $500,000, verified by affidavit.

Q. You did not get a copy of the subscriptions, but just a list of the shareholders? A. We take the list with the affidavit that this is a true list.

Q. And if nothing to arouse suspicion appeared you would certify it?

A. The Treasury Board accepts that as evidence.

Q. Does your certificate precede the certificate of the Department of Justice, or do you get that before you certify? A. I usually wait until after I get the certificate of the Minister of Justice, although that is not an invariable rule.

Q. Does not this inquiry suggest that a rubber stamp would be a good thing to have in your department to stamp your letters when they come in? However, you are not expected to express an opinion at once? A. There is so little of our business which really comes into a circumstance of this kind—

Q. Take a letter like Mr. Clouston's (perhaps in this case nothing turns upon it) it might have been most important to know the hour at which that arrived? A. With the returns of the bank we always do that.

MR. HODGINS: My recollection of Sir Richard Cartwright's evidence yesterday is that, owing to pressure of business, this memorandum was very often sent around without any formal meeting at all, and I understand you are giving your idea of what might have happened? A. Yes.

MR. COMMISSIONER: Sir Richard mentioned various things Mr. Boville has mentioned about the places where they might meet.

MR. HODGINS: Undoubtedly, there is the possibility. But the other practice was followed up of sending around? A. Occasionally informal matters relating to Departmental routine.

Q. You are not professing to say whether there was a meeting or whether there was an informal meeting this time? A. No.

MR. COMMISSIONER: Was it the practice in matters, except of routine, for the Ministers to initial the minute of the Treasury Board and that to be sent around with the papers to the other members without any meetings and they to initial, too, and then action taken upon it; do you know of any cases of that kind? A. Matters of importance, no.

MR. HODGINS: That seems to leave it just as unsatisfactory as ever. Sir Richard Cartwright said in connection with this very memorandum that his idea was that that had been sent around to him, that he had signed it, seeing the Finance Minister's signature there or initial? A. That would not be the practice.

Q. But you have no knowledge as to whether that was followed in this case or not? A. Not different; I could not say.

MR. HODGINS: Before you go I would like to have that letter available for Mr. Braithwaite? A. If you think it is material.

MR. HODGINS: Until I have seen Mr. Braithwaite and seen the letter I cannot say. Mr. Braithwaite has been subpoenaed and we have heard nothing from him. I think possibly we will have to telephone to Montreal. He may have arrived by the 12 o'clock train, and if you would adjourn now until some time this afternoon, if he is present, we will examine him then.

The Commission adjourned at 12.45 to 2.30 p.m.

At 2.30 p.m., Mr. A. D. Braithwaite, local manager of the Bank of Montreal, Montreal, did not appear under his subpoena, and the Commission adjourned to meet at 11 a.m., March 19th, 1912, at Osgoode Hall, Toronto.

Osgoode Hall,

Toronto, March 19th, 1912.

The Commission resumed its sittings at Osgoode Hall, at 11 a.m., March 19th, 1912.

PRESENT:

The Commissioner, HON. SIR WILLIAM MEREDITH;
FRANK E. HODGINS, K.C.;
JOHN THOMPSON, K.C.;
WILLIAM LAIDLAW, K.C., and I. E. WELDON.

SIR EDMUND OSLER, sworn, examined by—

MR. HODGINS: You were a member of the House of Commons in 1906? A. Yes.

Q. You remember the time at which the certificate was granted to the Farmers Bank? A. Yes.

Q. Had you an interview on the subject of the Farmers Bank at all with Mr. Fielding, the Finance Minister? A. Yes.

Q. Was that before or after the certificate was granted? A. Before the certificate was granted.

Q. Was it at Ottawa? A. Yes.

Q. We are told that the House sat about the 22nd of November in that year? A. I do not recollect.

Q. We will have to prove that in some other way; was it after the session began in 1906? A. Yes.

Q. What was your interview with him, what occurred during that interview? A. I told Mr. Fielding that I had knowledge that the money that was deposited there was practically obtained by false pretences, that it was not *bona fide* money obtained by stock subscriptions.

Q. What money did you refer to? A. The money that was deposited with the Government pending the issue of the certificate.

Q. Did you go any more into detail? A. No, I told him that I knew, as a matter of personal knowledge that it was not a straight—

Q. What further was said, did the Finance Minister say anything or discuss it with you? A. He said he was very anxious about it, and it all passed off.

Q. That is practically all? A. Yes, that was all until after the certificate was issued, I again saw Mr. Fielding and said I was very sorry the certificate had been issued. He expressed himself as having been a great deal worried about the transaction, but said he was afraid if he had refused the certificate it would have been charged that the Government were favoring the large banks and did not want to establish new banks.

Q. How long after the granting of the certificate was that? A. It must have been a few days: it was as soon as I heard it had been granted.

Q. That is all that took place? A. Yes.

MR. COMMISSIONER: Were you connected with any other banking institution at that time? A. Yes.

Q. What bank? A. The Dominion Bank.

Q. That was one of the large banks? A. Yes, no doubt.

Q. Was your statement as broad as that the money that was on deposit had been obtained by fraud? A. I knew that part of it; I knew that they had been discounting these notes.

Q. That is what you mean by the discount of notes? A. Yes, it was not a straight—

Q. Because there are two suggestions made about it, one of which was the subject of an action, subscriptions to stock having been obtained by fraud? A. I know nothing about that.

Q. You were speaking of the way in which the money was raised by the discount of notes? A. Yes, to my knowledge.

Q. Of what notes? A. From discounting the notes of the subscribers.

Q. Did you intimate that to Mr. Fielding? A. Yes.

Q. Or was it in a general way that you made the statement? A. Oh, it was in a general way, but in a sense particular, because I made that statement.

Q. When did the interview take place? A. I have not a date: it was after the money.

Q. Where? A. In Ottawa.

Q. In the House? A. Yes, in the House.

Q. MR. HODGINS: In the Chamber itself? A. Yes, in the Chamber or in one of the Committee Rooms.

ARTHUR DOUGLAS BRAITHWAITE, sworn, examined by—

MR. HODGINS: You were the Manager of the Toronto branch of the Bank of Montreal here for some time? A. Yes.

Q. Were you in 1906? A. Yes, I took charge in September, 1906.

Q. Did you know W. R. Travers? A. Yes.

Q. He was manager, afterwards became the general manager, of the Farmers Bank? A. Yes.

Q. Did you know in what position he was before the opening of the bank for business, which occurred, I am instructed, on the 2nd January, 1907? A. He was manager of the Merchants Bank in Hamilton when I first knew him.

Q. I mean immediately preceding the opening of the bank for business, when he came before the public as general manager, do you know what his position was immediately before that? A. No.

Q. You understood he was connected with the Farmers Bank? A. I understood he was getting up the Farmers Bank.

Q. Was it with you that he made the deposit for the Government? A. Yes.

Q. That would take place in Toronto? A. Yes.

Q. And your office issued the receipt for the money here? A. Issued a draft in favour of the Receiver-General at Ottawa.

Q. You received the money, though, here? A. Yes.

Q. And you gave a receipt which is sent down to the Receiver-General in Ottawa? A. We gave him a draft on the Bank of Montreal, Ottawa, in favour of the Receiver-General.

Q. Did he deposit the whole $250,000 at once?

A. No, he deposited $230,000 on the 16th October, 1906, and $20,000 on the 23rd October, 1906.

Q. That would make, altogether, $250,000? A. Yes, and on the same day we gave him a draft on Ottawa.

Q. Prior to his deposit of the $20,000, had you any conversation with him? A. Yes, he called upon me at the Ontario Bank.

Q. What took place? A. He asked me to advance him $20,000 against several notes of the subscribers of the stock to the Farmers Bank.

Q. Do you remember how long that was before the deposit of the $20,000, generally speaking? A. A week or ten days.

Q. What was the amount he asked you for as a loan? A. $20,000.

Q. At that time had he deposited the $230,000? A. I am not quite sure as to that, but I think he had. He deposited that on the 16th, and I think his application would be somewhere between the 16th and the 23rd.

Q. What was the result of his application? A. I refused to make the loan.

Q. You communicated afterwards with your head office in connection with it, although not till after the certificate was granted? A. Not for some time afterwards, in December, I think.

Q. That was a letter to Sir Edward Clouston? A. Yes

Q. Notifying him of the fact of the deposit and the fact of the application for the loan? A. Yes.

Q. Would that have reached him before the 30th November? A. No, the letter was only written on the 7th December.

Q. Of course, you don't know what he did with it; we have traced that in Ottawa; I suppose it is your letter to Sir Edward Clouston that was sent to Mr. Boville? A. I know it was sent to Ottawa, either to Mr. Fielding or to Mr. Boville, I don't know which.

Q. And subsequently was returned to you? A. Yes.

Q. And the date of that letter was the 7th December? A. Yes.

Q. And was it sent on that day, as far as you can remember? A. No, it was not sent to Ottawa until the 10th December.

Q. You sent it in the usual course? A. No, I think it did not go down till the next night, because I was under the impression I dictated it very late at night and it was too late for the mail.

Q. Except that interview with Mr. Travers that you have told us about when he applied for the loan, had you anything further to do with or come in contact with the organization of the Farmers Bank? A. Nothing at all.

MR. COMMISSIONER: Was the deposit made with your bank as financial agents or bankers of the Federal Government? A. Yes, I presume so; they have to get the drafts on Ottawa from us; I think we are the only people in Toronto who issue them.

Q. How was it you did not communicate earlier to Mr. Clouston, as he then was, the fact of this application to discount the notes? A. I do not think that I realized what it was; I was very busy at the time; it was in the office of the Ontario Bank in the head office, and I do not think I quite realized what it was, whether it was to make up the amount of the charter or what it was.

Q. Did that strike you as anything very much out of the ordinary? A. I cannot say that it did, particularly at the time.

Q. I suppose some subsequent event must have made it important, to give it greater importance in your mind? A. Mr. Coulson, the general manager of the Bank of Toronto, asked me to advise Mr. Clouston how the deposit was made; then it immediately flashed across my mind.

Q. Until then it had no particular significance? A. No.

Q. What was the reason you declined to advance the money upon the notes? A. I did not want to have business with Mr. Travers; I knew him pretty well.

LEIGHTON McCARTHY, sworn, examined by—

MR. HODGINS: Your name has been mentioned in the correspondence which has already been put in, published in the Parliamentary Return; you had correspondence between yourself and the Finance Department and Mr. Fielding? A. Yes.

Q. You are familiar with that correspondence; I need not go over it with you? A. I have my file here.

Q. I want to ask you whether in addition to that correspondence you ever had in the matter a personal interview with Mr. Fielding? A. I did not.

Q. There is something in the correspondence which indicates you were expecting to see him, that is why I want to know? A. Yes, in two of my letters I suggested I would do myself the pleasure of calling upon him with reference to the matter, but I never did.

Q. Who were you acting for in the matter? A. I was instructed by Mr. William Laidlaw, K.C., on behalf of his clients who are set forth in the letter to Mr. Fielding of the 19th October.

Q. Had you any personal knowledge except what you got from him as to the grievances of those that issued the writ? A. None whatever.

Q. In writing the letter it bears a little later date than that, telling him the claim was withdrawn? A. One letter suggesting I would call is dated 1st November; the letter withdrawing is on the 2nd November, the day after.

Q. The letter is dated November 2nd, that is the one written to Mr. Fielding? A. Yes.

Q. Saying that the objections which you made on their behalf to the issue of the certificate are withdrawn? A. Yes.

Q. On whose instructions did you write that letter? A. Mr. Laidlaw came in and told me that a settlement had been made, or arranged with these individuals whose names are set out in the letter of the 19th October.

Q. Am I right in assuming that we have in this correspondence all that took place between you and the Finance Department? A. Yes, you are absolutely correct.

Q. Had you anything to do with the matter either before or after that? A. None whatever.

MR. COMMISSIONER: By whom were you instructed, I suppose it appears in the papers? A. By Mr. Laidlaw.

Q. On behalf of whom, how many different persons? A. They are all the plaintiffs in that writ between—

Q. How many are there? A. William Dixon, John Sproat, George Castle, William McLean, Finlay McCallum, Robert Hume, James Murray, George Denoon, John McLeod, James Shuert, William Harris, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of the Farmers Bank who may desire to come in and be parties to this action.

Q. What was the complaint they made? A. I have not that endorsement, and I have not seen it for six years. As I recollect it their allegation was that the subscriptions had been procured by fraud, and that the subscriptions had been paid with notes, and they demanded—

Q. What was the fraud? A. Misrepresentation in procuring their subscriptions.

Q. Misrepresentation as to what? were you instructed as to the nature? A. I have no doubt I had a good many interviews with Mr. Laidlaw between those times, between the 8th October and the 2nd November, and I have no doubt we very thoroughly discussed it, it is six years ago, and it has passed from my mind.

Q. I judge from what you say apparently some one was of the opinion that a subscription not paid for in cash was not a valid subscription, was that one of his contentions? A. Yes, that was one of his contentions, also it comes back to me, I think that Lindsay was the man who had procured most of these subscriptions, and that these people thought a most rosy condition of affairs had been painted by Lindsay as to what these people would make if they went into the transaction, and that the money would not be called, and they had given notes on the assumption that they would never have to pay the notes.

Q. I suppose you advised them these rosy anticipations were not a ground for setting aside the subscriptions? A. I did not come in contact with the clients.

Q. Everybody does that? A. I did not come in contact with the clients; I only came in contact with Mr. Laidlaw.

Mr. Hodgins: Your letter of the 19th October sets out, encloses the special endorsements on the writ? A. Yes.

Q. That is in the return which is being copied and sent up here; and you request the Treasury Board to "Stay any action upon the application of persons professing to act in the name of the Farmers Bank of Canada or in the name of the provisional directors of the Farmers Bank of Canada, for a certificate under section 15 of the Bank Act on the grounds alleged in the enclosed special endorsement, and other grounds which may be disclosed upon the examination of the alleged subscribers for shares."

"I have received information that the alleged subscribers for shares, paid a large sum of money in cash and have signed notes for other large sums of money, and that the persons professing to act in the name of the bank have transferred notes and received the proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of these notes, or a sufficient amount to make up $250,000."

"I wish you to have the kindness to acknowledge the receipt of this protest against the granting of a certificate so that I may advise the shareholders who are disputing their liability."

Q. I suppose without seeing the endorsement on the writ you cannot say whether that last paragraph I have read you, which refers to the action of those professing to act, in the name of the bank, with the notes which they have got, is included in the special endorsement? A. No, I cannot tell you. I gave back those papers to Mr. Laidlaw.

Q. That letter and enclosure was the notice you gave to the Finance Department? A. Yes.

JAMES G. FITZGIBBON, Sworn, Examined by—

Mr. Hodgins: I want you to identify this letter of November 29th, 1906, to W. R. Travers? A. Yes, sir, that is mine.

Q. The letter is:

"Dear Travers:

"Mr. Hunter called in this morning, and I was glad to learn that so far things are going on nicely, and trust you will have no trouble."

Who is Mr. Hunter? A. He was the solicitor for the bank.

Q. W. H. Hunter of Toronto? A. Yes, sir.

Q. How had you learned that so far things were going on nicely? A. From Mr. Hunter himself, who had returned from Ottawa.

Q. Can you say when—"You say he called in this morning"? A. That would be that day, the 29th November.

Q. That he had got back from Ottawa? A. Yes.

Q. Then he had gone down with Mr. Travers, had he? A. So I presume.

MR. COMMISSIONER: You had better not give that.

MR. HODGINS: If he knows.

MR. COMMISSIONER: He does not know.

A. I do not know that he had been.

MR. HODGINS: I think from the cheque book he did know; I am going to call Mr. Hunter.

Q. The letter continues: "Mr. Hunter went over all the applications and informs me that they are in first class shape, and that he would have no hesitation in exhibiting them if called for"—what applications were those? A. The applications for stock.

Q. What list would there be of those applications, or did he go over the applications themselves? A. He went over the applications themselves.

Q. Had he gone over those applications prior to that? A. I think he went over them with Mr. Travers before the certificate was granted.

Q. And then the letter continues: "At his request I enclose three blank cheques out of the cheque book in case you have occasion to use them". This is the cheque book, will you just show me the stubs of the cheques that were taken out and sent down? A. I do not think I can identify the cheques from the stubs.

Q. See if you can; this is dated the 29th November; I want to trace up those three cheques.

MR. COMMISSIONER: Can you identify them? A. Only one.

Q. What one is that? A. No. 26, December 4th, issued to Guthrie & Pringle of Ottawa, $110, No. 27 is marked cancelled, and No. 28 was evidently used after he came back.

Q. You think those were the three? A. I think those were the three, they are all dated here December 4th. Any between the 29th November and December 4th could not have been used in Ottawa.

Q. Which ones do you identify as the ones you sent him? A. No. 26, 27 and 28.

MR. HODGINS: 26 appears to be a cheque made out to G. S. McCorquodale? A. It was evidently started as that but altered afterwards.

Q. I do not understand that, you do not start a cheque—? A. I did not draw—

MR. COMMISSIONER: The witness is giving his evidence.

A. I do not know why the name of G. C. McCorquodale was in there or why it was struck out, but I know that the cheque to Guthrie & Pringle was issued in Ottawa by Mr. Travers.

MR. HODGINS: Yes, so do I; but I want to know why you identify a cheque the stub of which is payable to G. S. McCorquodale as one of the blank cheques you sent down to Mr. Travers? A. I could not say, except it must have been one of the three that went to Mr. Travers in Ottawa. I do not know why McCorquodale's name was entered on the stub. I did not draw out the cheque.

Q. Look at the cheque immediately preceding that, what is the date of that cheque No. 25? A. It is dated there December 1st.

Q. And that is written over something? A. Yes.

Q. What is it written over? A. I could not tell you.

Q. I think I can make it out; have you your glasses with you? A. Yes; November 30th, it is apparently.

Q. Would not that look as if that cheque No. 25 was subsequent to those that you sent down on the 29th of November? A. Yes, but that was payment of office salaries here, and could not have been used in Ottawa.

Q. Quite so, but it was written out on the 30th, which was the day after the date on which you sent them down.

MR. COMMISSIONER: Not necessarily the 30th; it may have been written on the 1st December and probably being the end of the month a man might make a mistake. A. I do not know, as I did not draw out the cheques.

Q. Who drew them out? A. Mr. Shaver.

Q. And he would probably know better than you? A. Certainly.

Q. Does that mean you cannot identify the three cheques you gave us now as being the three that you sent down? A. No, I could not positively identify them. The only one I could identify is that one which was issued to Guthrie and Pringle in Ottawa, and that one was as I understand the only one of the three that was used in Ottawa. The three that were sent down may have been Nos. 25, 26, 27 or may have been numbers 26, 27 and 28.

Q. That is the best of your recollection? A. Yes.

Q. Do you know anything about No. 30 which is marked cancelled? A. No, sir.

Q. Do you think you and Mr. Shaver together could account for the three cheques that were sent down? A. I could not say as to what Mr. Shaver can say.

Q. You have never gone into that phase of the matter? A. No, but No. 30 appears to have been to the contractors for the office building.

Q. Just look at cheque No. 25 and tell me when that cheque was written out? A. That was evidently November 30th, 1906.

Q. That is in favor of yourself? A. Yes.

Q. For salary, $62.50? A. Yes.

Q. It is marked as including Miss McKenna's salary? A. It was paid to me, and I paid her her salary out of that.

Q. Would Mr. Shaver be the one who altered the date on the stub? A. It was in his handwriting; it was paid at the Traders Bank, on the 1st December.

Cheque No. 25 filed as EXHIBIT No. 6.

Q. Look at that cheque, what is the number of that cheque? A. No. 28.

Q. That is dated December 4th? A. Yes.

Q. For $10? A. Yes.

Q. Was that paid up here? A. That was paid apparently at the Traders Bank, on the 8th December.

Q. Whose writing would that be? A. That is in Mr. Shaver's handwriting; he drew out all the cheques.

Cheque No. 28 marked as EXHIBIT 7.

Q. Then look at this cheque, dated the 30th November, is that the Pringle & Guthrie cheque? A. Yes.

Q. What is the date of that? A. November, 30th.

Q. What is the number of that cheque? A. No. 27.

Q. That corresponds with the cancelled stub? A. Yes.

Q. It is number 26 that is in the stub payable to Guthrie & Pringle? A. I do not understand why the wrong one was cancelled. This one evidently with McCorquodale's name on it should have been cancelled, and this one written in, Guthrie & Pringle.

Q. There is 26, and 27; 26 is on the stub payable to Guthrie & Pringle, but when the cheque is produced it is No. 27 that is payable to them? A. Yes.

Q. Do you know anything about the other cheque? A. No, sir. Cheque No. 27 is filled out in Mr. Travers' own handwriting at Ottawa, and when it came in Mr. Shaver doubtless—

Q. Never mind what he doubtless did? A. I do not know.

Q. Look at this attached cheque No. 52, that cheque is payable to whom? A. To W. R. Travers.

Q. And endorsed by him? A. Yes.

Q. For $1,800? A. Yes.

Q. Did you have to do with the closing of that transaction? A. No, sir.

Q. Who did, Mr. Travers? A. No, Mr. Shaver, I believe.

Q. Do you know anything about this attached receipt signed by Pringle & Guthrie? A. Nothing beyond the fact that it was handed in to be attached to the cheque when it came back from Ottawa.

MR. HODGINS: I will put those three in together as one exhibit.

Cheque No. 27 to Pringle & Guthrie for $110; cheque to W. R. Travers, No. 52 for $1,800, signed by W. R. Travers, General Manager, and endorsed by W. R. Travers and A. R. Shaver; and receipt of Pringle & Guthrie, solicitors for C. A. Smith, for promissory note of W. R. Travers for $1,800 in favour of C. A. Smith, including release by Smith of all claims and demands of Smith against W. R. Travers and the Farmers Bank of Canada—filed as EXHIBIT 8.

MR. COMMISSIONER: Who is McCorquodale? A. He was one of the solicitors for stock for the bank.

MR. HODGINS: One of the stock sellers? A. Yes.

Q. I see he was a stockholder too? A. He subscribed for one share, but if I remember rightly he never paid anything on it, and it was subsequently cancelled.

Q. Where are the stock applications? A. The last I saw of them they were in the hands of the liquidator.

Q. Would it be asking you too much to see if you could find them amongst the papers that have been produced up here? A. They ought to be all together, they were all on file.

Q. We will get them then? A. All right.

ALEXANDER G. McKAY, Sworn,—

MR. HODGINS: I have called you because your name is set forth in the prospectus which was sent by Mr. Travers to the Finance Minister in 1906, as one who had consented to act as a Director if elected, "Hon. A. G. McKay, K.C., Owen Sound, Ex-Commissioner of Crown Lands"—that would describe you pretty accurately? A. Yes, fairly accurately.

Q. Did you consent to act as a Director of the Farmers Bank? A. No, not exactly, I did not. I was approached by an agent to subscribe for stock, and of course I discussed the Directorship and that sort of thing, but I never decided to subscribe and did not subscribe.

Q. Who was the agent? A. I think his name was Lindsay.

Q. On the 27th November, was there any authority given by you under which you could have been described as a gentleman who had consented to act as Director of the Farmers Bank if elected? A. No, because I had not subscribed for stock.

Q. Nor prior to that, that would not have been proper? A. No, it would not have been proper. I was considering and was being canvassed to subscribe for stock, and the discussion took place with regard to that, and I decided not to subscribe and told him so, and I did not know my name was in the prospectus until some one called my attention to it months afterwards.

Q. Is that all you had to do with it? A. Yes.

INSPECTOR WALTER DUNCAN, called to produce certain papers.—

MR. HODGINS: There is said to be a statement made by Mr. Travers to you which has not been produced in any of these proceedings? A. Yes.

Q. Can you let me have it? A. I can. (Produces).

MR. HODGINS: Perhaps Inspector Duncan had better be sworn.

MR. COMMISSIONER: I do not know that I will receive that at present, a statement made by Travers. If you are going to call Travers possibly it may be proper to introduce it afterwards. I am not going to take second hand statements.

MR. HODGINS: I have no objection at all to do that; I wanted to get this, and I thought it just as well when the document was produced that the Inspector should state how he got it and how it comes to appear in the form it is. If you think it is better to wait for Mr. Travers, I will do so.

MR. COMMISSIONER: I think we had better wait till we see what Travers says.

MR. HODGINS: Have you any other papers? A. Yes, there are some papers bearing on some monies said to have been obtained by the 'World' newspaper. Then I have here a number of cheques signed by Fitzgibbon which are made payable to W. R. Travers. I produce one here for $6,000.

Q. I will go into these later; we will have to go through those very carefully. All I want to know is what you have? A. Then there are others here aggregating perhaps $100,000 or over. There is another statement that is of no value to me; that was taken in the bank. There is a short brief that was prepared for the Police Court for Mr. Corley, Crown Attorney.

Q. I have that. A. Then it was said there was a letter missing which was produced at the Police Court.

Q. Without going into it, perhaps you will just leave the papers with me and I will look through them myself.

MR. COMMISSIONER: One letter he says is missing? Whom was it to? A. It was to Mr. Coulson.

Q. From whom? A. Something in connection with the Finance Department at Ottawa with regard to something being wrong.

MR. HODGINS: Is not that the letter you are thinking of from Mr. Braithwaite to Mr. Clouston? A. I rather think it is.

Q. That letter I have seen. That letter mentioned Mr. Coulson made inquiry just as Mr. Braithwaite states. A. This one I would like to get back; that is a criminal charge bearing on a man that is not before the Court. And here is one also I would like to get back.

Q. We will just put these together and before you leave, Mr. Thompson will give them back to you. He wants to make a note of them. A. Very well.

JOHN D. IVEY, sworn, examined by—

MR. HODGINS: You are a merchant in Toronto? A. Yes.

Q. And were you at any time a Director of the Farmers Bank? A. Never.

Q. Did you contemplate becoming a director? A. I was solicited to subscribe for stock.

Q. Who solicited you? A. Mr. Travers, and there were some names that he mentioned to me, Major Beattie and Colonel McLennan, I think, and some others that rather appealed to me, and I said I would think it over, and in thinking it over I communicated with those gentlemen and I found that they were not directors.

Q. What was the result; did you make up your mind one way or the other? A. I practically dropped out at that.

Q. Do you remember when you dropped out? A. No, I am sorry to say I do not; it was very early on at the beginning of the organization.

Q. And you were represented in the prospectus sent to the Finance Minister about the 27th of November, 1906, as a gentleman who had consented to act as a Director, if elected; would that be correct? A. That would be without my authority at the time; I had never subscribed for stock.

Q. I notice in the document which I have here, which is really a lawyer's bill against the bank, that in March you had various interviews with Mr. Urquhart and Mr. Travers, two at least, in reference to extending of time for the bank proceeding with its organization; do you remember those? A. Ex-Mayor Urquhart's name was among the three or four names that were mentioned to me at the first interview, and I had one or two interviews with Ex-Mayor Urquhart in order to inform myself as to the organization of the bank.

Q. You had nothing to do with the bank then on the 27th November, 1906? A. None whatever.

MR. HODGINS: Mr. Urquhart telephoned me that he could not be here this morning, but would be here this afternoon. In his absence I think I had better take Mr. Lown. But before that I am going to put in the minutes of the provisional directors which have been already produced in the former proceedings, and the minutes of the directors after their election.

Minute book of provisional directors filed as EXHIBIT No 9.

Minute book of the directors of the Farmers Bank filed as EXHIBIT No. 10

ALEXANDER S. LOWN, sworn, examined by—

MR. HODGINS: You were one of the provisional directors of the Farmers Bank? A. Yes.

Q. What is your profession? A. I am a solicitor.

Q. You were practising where? A. I was practising at that time in the village of Drayton.

Q. And you became interested in the Farmers Bank? A. Yes.

Q. You took out the charter, did you not? A. Yes.

Q. Of the original provisional directors, how many are still living? A. Gallagher is dead.

Q. Who were the others besides yourself? A. Dr. Ferguson, Fraser and Watson.

Q. Mr. Watson lives in Listowel? A. Yes.

Q. The others in Toronto? A. Yes. Mr. Gallagher, I think, lived in Teeswater at that time.

Q. You acted as a provisional director? A. Yes.

Q. Right up to the time when the meeting of subscribers was held? A. Yes.

Q. In November or December, 1906; you remember, I suppose, the agreements that were entered into at that time by the provisional directors? A. Yes.

Q. 12th March, 1906, is the agreement signed by you, Fraser and Ferguson and Travers? A. Yes.

Agreement between A. S. Lown *et al.* and W. R. Travers, dated the 12th March, 1906, filed as EXHIBIT 11.

Q. This is your signature and those are the signatures of the others (on EXHIBIT 11)? A. Yes.

Q. That agreement, in effect, was to allow Travers to sell all the capital stock of the bank? A. I think there is an exception in it.

Q. Yes. "Except such portions of the stock as they may reserve to be sold

by C. H. Smith and the firm of Messrs. Urquhart, Urquhart and McGregor"—but outside of that Travers was to have the whole control; that is, in 1906? A. Yes.

Q. At that time you found you had not made much progress, is that right? A. We had, I think, about $40,000 of stock subscribed.

Q. That was about two years, was it, after the bank had been incorporated? A. Well, about a year or six months, I should judge.

Q. That agreement provides for the procuring, within a week from its date, four members for the permanent Board that will be acceptable to the provisional directors and to Mr. Thomas Urquhart, and he agreed that the expenses of the directors, providing they do not exceed $16,000 to date, be paid out of the funds of the bank? A. Yes.

Q. That was the arrangement? A. Yes.

Q. How many shares of stock had you got up to that time subscribed? A. It is pretty hard for me to say without going through the books.

Q. I agree with you. A. I would say, roughly speaking, about $40,000 or $50,000.

Q. That is two years' work? A. Yes.

Q. Had you employed any one to get that? A. Yes.

Q. Who had you employed, C. H. Smith? A. Smith, and Smith had employed quite a number of others.

Q. Was Smith being paid by commission? A. Smith was being paid by commission, and Smith also acted as Secretary of the Provisional Board.

Q. Was he on salary or on commission? A. I think he had a salary of $75 a month and a commission besides, if I remember right.

Q. Those who have apparently been paid or charged up commissions were Smith, Travers, Fraser and Urquhart; did you employ any one else? A. I suppose Travers would employ other agents and Smith would employ other agents, and I think under Urquhart was a gentleman called Richardson.

Q. What was the meaning of this $16,000 that was provided for the payment of the provisional directors? A. At that time certain monies had been expended, we did not know just how much, but the idea was that these matters would be adjusted afterwards.

Q. Who did know the amount? A. I suppose we could have got the amount from the books.

Q. Had you kept books? A. Yes.

Q. And would they represent anything like a total of $16,000? A. They would represent, I could not tell without looking at the books.

Q. What books do you refer to? A. There would be the ledger and the cash book; the books were kept by Smith.

Q. Probably you will look at them later on; I think they are here? A. Very well. Roughly speaking, I think there were one or two unsettled matters and I think the books would show about $10,000.

Q. Of expenditure? A. Yes, at that time.

Q. How much of that had been contributed by the provisional directors? A. Not very much.

Q. It had been spent, then, out of the subscriptions? A. Yes

Q. Then there are three subsequent agreements? A. Two, I think.

Q. You are right; that is, two subsequent ones with Mr. Travers? A. Yes.

Q. They are both dated the 4th July, and I will put them in together; see if those are the originals? A. Yes, sir.

Two agreements both dated the 5th July, 1906, between A. S. Lown *et al* of the first part, C. H. Smith of the second part, and W. R. Travers of the third part filed as EXHIBIT 12.

Q. This agreement of the 4th July, 1906, recites the agreement of the 12th March and allows Travers to sell all the capital stock which is now unsold and you

engaged him at a salary of $5,000 for the first year, increasing a thousand dollars each year; and if he retires he is to be allowed a pension of $1,500 a year, that to be confirmed by the shareholders. Then it is provided that Travers agrees to accept the legitimate accounts as they now stand upon the books for the expenses of the organization to date, that would be what you would find in the books? A. Yes.

Q. "And also agrees to allow the parties of the first and second part the sum of $20,000 as a remuneration for their services, surrender of charter, etc., to be paid out of the funds of the bank provided the same be confirmed at the meeting of the subscribers"—that I see is signed by all the provisional directors? A. Yes.

Q. What is the meaning of your getting $20,000 for services as well as the legitimate accounts as they stand? A. It simply meant that Travers would recommend at the meeting, as I understood, at the meeting of shareholders that we would be paid that much.

Q. What was it for? A. For our work and trouble in promoting the bank.

Q. Such as you have described? A. Yes.

Q. This speaks of a surrender of charter, I suppose that was really a transfer of the charter to Mr. Travers? A. I suppose so, yes.

Q. Was it on the understanding that he was to have—? A. The understanding was that he was to go on and complete the organization and that we were to do any acts that were necessary to assist him.

Q. At that time in July, 1906, there had been a good deal more stock taken up, had there not? A. Yes.

Q. What did you know about promissory notes that had been taken for stock? A. I think it is all explained in the minute book. We had some objections to the promissory notes. Those notes were taken without our knowledge, and when we discovered it, some of the members of the Board raised some objections to those promissory notes, and we decided to take legal advice on the matter, and we did.

Q. The second agreement of the 4th of July recites the prior one of the same date, as to the $20,000 and Mr. Travers in that agrees to "accept their claim and to pay the $20,000 to the parties of the first and second part as follows:..... immediately upon their passing the necessary resolution to give the legal notice calling a meeting of the subscribers for the organization of the bank."

Then at the bottom of that agreement there is a receipt for Travers for $10,000, "And to this extent we hereby assign our interest in said $20,000 to said Travers"? A. Yes.

Q. When after the 4th of July did the provisional directors get the $10,000 from Travers? A. We were paid that day.

Q. The 4th of July, 1906? A. Yes.

Q. Was that paid out of these subscriptions? A. No, that was paid out of Travers' commissions. Of course the commissions were paid out of the subscriptions.

Q. Was there a resolution directing payment to him of $10,000? A. I cannot remember.

Q. Then these are the other memorandum and power of attorney, I think they had better go in together; they are also signed by the provisional directors? A. Yes.

Q. One is memorandum as to distribution, and the other is the power of attorney from the provisional directors to Travers? A. Yes.

Memorandum as to distribution and power of attorney from provisional directors to Travers filed together as EXHIBIT 13.

Q. The memorandum of distribution says "We, the undersigned, hereby agree that we will divide the sum of $20,000 to be paid us by W. R. Travers under an agreement dated the 4th day of July, A.D., 1906, amongst ourselves as follows: A. S. Lown $5,000; C. H. Smith $5,000; John Feguson $3,500; Alexander Fraser $3,500; John Watson $1,500; James Gallagher $1,500."

The power of attorney states "To constitute and appoint W. R. Travers our lawful attorney for us and in our name and stead to endorse our names on all notes made by anyone whatever payable to the provisional directors of the Farmers Bank of Canada, and the endorsement of our names on said notes by him as our attorney shall be as valid and effectual as if we ourselves had endorsed notes, etc."

You did endorse all these notes didn't you? A. I presume that Travers as attorney endorsed those notes.

Q. The power of attorney is dated the 8th October, 1906; look at this resolution of the same date, and certified by you as Chairman? A. It was signed by me as Chairman.

Q. That was passed at that meeting? A. Yes.

Q. It reads: "Moved by James Gallagher, seconded by John Ferguson:

"That the provisional directors execute a power of attorney to W. R. Travers for the purpose of endorsing all notes in their names as provisional directors and signing their names to a note or notes for the purpose of raising funds to put up the deposit with the Government, and we authorize the secretary to hand over all notes to W. R. Travers for the said purpose." (*Motion filed as Exhibit* 14.)

Q. Am I wrong in saying that at that period of time out of the subscriptions that had been raised all the expenses were to be paid and the $20,000 to the provisional directors would come out of that, although charged as commissions to Mr. Travers?

Q. It would come out of Mr. Travers' commissions, his commissions would be chargeable to that.

Q. And he would then get all the promissory notes made up to that time by subscribers? A. No.

Q. What was the situation? A. The bank would get the credit for the proceeds of any money that he raised by endorsing those notes.

Q. I am speaking of the subscriptions which had been got by you four provisional directors before Mr. Travers came into it? A. Yes.

Q. The expenses were to be paid out of that? A. Out of all the money subscribed by the stockholders, I presume.

Q. Then you were to get $20,000 in addition.

Mr. Commissioner: He explained that differently before; that $10,000 came out of the commission that Travers got, which came out of the bank funds.

Mr. Hodgins: Up to the time that Travers made the agreement with you to pay you $16,000 in March and $20,000 in July had Travers got any stock taken up himself? A. Travers himself, we never saw Travers until about the 12th of March, and from the 12th March to the 4th July Travers and his agents had been instrumental in getting the great portion of the stock.

Q. Coming back to the 12th of March the arrangement under that agreement was that you four directors were to be paid the $16,000? A. No, not exactly; we were to be paid whatever expenses there were, if they were not more than $16,000; if they were less, we would get less.

Q. What was the object of changing the agreement on the 4th of July; Travers in the meantime had been getting stock taken up? A. Out of the money that we had expended we ourselves would get practically nothing; that had gone in rent and advertising and commissions, and so on.

Q. We can find the amount of that; but I want the reason for making the agreement of the 4th of July? A. Travers had been promising us that we would get a certain amount of remuneration for the services that we had done.

Q. If the $20,000 was to be paid out of Travers' commission it was on the commission from between the 12th March and the 4th July? A. No, it would be on the commissions earned at the time at which the bank was organized.

Q. You turned over the entire stock-selling to Travers? A. Yes.

Q. And he, you say, out of his commissions was to pay that? A. Yes.

Q. What commission did you as provisional directors arrange to pay Travers? A. 10%.

Q. On the par value of a subscription? A. Yes, sir.

Q. Not upon the cash paid in? A. The par value of the subscription; I think, if I remember rightly, the agreement sets it forth.

Q. Supposing these notes were given by subscribers would Travers get in cash his commissions out of that as if it had been paid in cash; was that the idea you had in your minds at the time? A. If the note was a good note.

Q. Had you anything to say to that? A. No, the notes were all recommended to us as being good notes.

Q. You passed certain resolutions on the subject; in addition to that agreement of the 12th March, 1906, was there an agreement to pay Dr. Ferguson and Alexander Fraser more, an additional amount to that? A. No.

Q. This is the minute of the 10th March, 1906: "That the provisional Board hereby agrees that provision be made for Messrs. A. S. Lown, and C. H. Smith as originators of the bank, by giving them positions in the bank on its organization, Mr. Lown as Secretary and Mr. Smith as manager of a branch bank, or at least its equivalent in the head office; and in the event of their not being continued to a period to be agreed upon between Mr. Lown and Mr. Smith and Mr. Travers, the prospective General Manager, an adequate allowance be made by pension or bonus on retirement and that Dr. Ferguson and Alexander Fraser be empowered to execute this agreement with Mr. Travers on behalf of the Provisional Board." That is on the 10th March, and would that agreement on the 12th March immediately follow it and be the one executed in pursuance of this, because my recollection is there is no provision in that for your being continued? A. I do not think that was ever carried out.

Q. On the same day; moved by Dr. Ferguson, seconded by Alexander Fraser: "That an allowance of $3,000 be made to Alexander Fraser and Dr. John Ferguson for their services and outlays as provisional directors in the organization of the bank, and that the same be paid when the bank is ready for business—"? A. That would be included in that $20,000.

Q. Which? A. That $3,000.

Q. That was mentioned in the 4th of July agreement? A. Yes.

Q. Would it be included in what is mentioned as the agreement of the 12th of March? A. I do not think so.

Q. I want to ask you about the agreement as to notes; you had taken advice had you not, relative to the legality of the provisional Board accepting notes? A. Yes.

Q. I see that at the meeting of the 23rd of June the resolution was passed against that being done; "It was moved by Dr. Ferguson, seconded by Mr. Gallagher; that whereas it appears that the notes have been accepted by agents in settlement of subscriptions to stock, be it resolved that the opinion of Messrs. Urquhart, Urquhart & McGregor be secured at once as to the legality of accepting by the provisional Board such settlements and the payments of commissions, on such subscriptions". Moved by Alexander Fraser, seconded by Mr. Gallagher: "That instructions be given to Mr. Travers that no note be accepted in lieu of cash for payment of stock and that no agent or sub-agent employed by him accept the same, but that the conditions set forth in the form of application be adhered to on cash basis unless otherwise specially authorized by the Board"—do you remember that? A. Yes.

Q. Was there an opinion obtained? A. Yes.

Q. To what effect? A. To the effect that—

MR. COMMISSIONER: Is it in writing? A. Yes.

MR. COMMISSIONER: I do not think it would be fair.

MR. HODGINS: I only want to get whether, generally speaking, it was in

favor or against it, because I have the opinion here, what I take to be the opinion. I expected to put that in when Mr. Urquhart came. Perhaps you would recognize that? A. I think we have the original letter somewhere.

MR. COMMISSIONER: That purports to be a copy? A. Yes; it would be fairer for Mr. Urquhart to put in the original letter.

MR. HODGINS: On July 4th, which was the date at which that agreement appears to have been made, it was moved by Mr. Ferguson, seconded by Mr. Gallagher; "that in consideration of the letter of Messrs. Urquhart, Urquhart and McGregor, regarding the acceptance of notes on subscriptions of stock, the resolution of the 23rd June, 1906, calling for the selling of stock on a cash basis be repealed". I suppose that affected your minds. You repealed the resolution? A. Yes.

Q. And then the next is a resolution: "That the sum of $10,000 on account of commissions for the sale of the capital stock in the bank be paid to W. R. Travers". Then, "That the agreement entered into this day between W. R. Travers, C. H. Smith and Messrs. Watson, Gallagher, Lown, Ferguson and Fraser be confirmed and signed". Then it was known when the $10,000 was given that the notes had been taken, and do you pretend to say that you knew they were all good at that time? A. We did not know they were all good, but they were all stated to us to be notes of good substantial farmers.

Q. Stated by whom? A. By Travers.

Q. And on that statement the $10,000 was paid out of the monies on hand? A. Yes.

Q. You did not discount the notes to get this money? A. No, not at that time.

Q. Further on the same day, "That the Chairman of the Board"—who was that? A. Myself.

Q. "That the Chairman of the Board, the Secretary Treasurer of the Board"—who was the secretary treasurer? A. Mr. Smith.

Q. "And W. R. Travers, General Manager, be authorized to endorse all notes made in favour of the bank for the purpose of raising money to make deposit with the Treasury Board of the Dominion Government". This is on the 4th July, 1906? A. Yes.

Q. Then I see by the minutes that you kept on alloting stock as subscriptions were brought in? A. Yes.

Q. Irrespective of whether they were cash or otherwise? A. Yes.

Q. You knew, of course, quite well, that notes were being taken? A. Yes.

Q. After that change of attitude? A. Yes.

Q. And I suppose you will say you were aware that a very large proportion of notes were being taken? A. I could not say that.

Q. Did you make any inquiry from Mr. Travers as to the proportion of notes and cash? A. That is nearly seven years ago, and it is hard for me to remember.

Q. Then we come to the meeting of the 8th October, where that resolution that I put in apparently carried. There are quite a number of minutes, extending over quite a long period of time, that all appear to have been read and confirmed at the meeting on the 6th November, do you recollect why they were left for confirmation so long? A. I cannot remember.

Q. The allotment that you made was not subject to any condition at all on payment of the notes, it was simply an allotment of the stock by the provisional directors? A. Yes.

Q. Did you think you had power to do that? A. We thought we had, yes.

Q. You made your report to the shareholders or subscribers on the 22nd November? A. Yes.

Q. Would you just look at that report which I will put in signed by you, tell me about the expenses there on the second page? (Report of the provisional Board, dated the 22nd November, 1906, filed as EXHIBIT 15.) A. $44,403.65.

Q. Is that correct? A. It is approximately correct. Of course I simply got that, I would ask Mr. Shaver or Mr. Fitzgibbon who were in charge of the books as to what the expenses were.

Q. Do you remember asking them? A. Yes; excuse me a moment, the figures there are not in my handwriting.

Q. Whose are they in? A. I cannot tell you; they may be in Mr. Shaver's; they are certainly not in mine.

Q. Were you elected as a regular director of the bank? A. No.

Q. Had you anything to do with opening the original books of the bank? A. No.

Q. You do not know why the figures for expenses were not the same as reported to the subscribers? A. No, so far as I know, I had asked some person and apparently the entries have been made in some other person's handwriting.

Q. Did that amount to your knowledge include the amount paid to the provisional directors by Travers? A. Yes.

Q. Did it include all the commissions paid? A. Yes.

Q. To Travers or others? A. Yes.

Q. Did you know at the time how much had been paid in in cash to that date? A. I think possibly I did. I think I signed a cheque for $150,000 transferring the Traders Bank account to the Bank of Montreal.

Q. You think you signed a cheque for that? A. Yes, I probably signed a cheque for that.

Q. The cash that had come in being to the credit of the provisional directors? A. Yes, in the Traders Bank, and $150,000 of that was transferred.

Q. Now from whom did you get this information in paragraph 4; "The Board have to report in the first place that they have the sum of $579,200 *bona fide* subscribed"? A. I would get it from Mr. Shaver or Mr. Fitzgibbon.

Q. Then this, "And out of the subscriptions thereon they have paid in to the Treasury Department of the Dominion Government, the sum of $250,000?" A. I knew as a matter of fact that $250,000 had been paid to the Treasury Board; I was told that by Mr. Travers.

Q. But not out of the subscriptions thereon? A. Out of the monies derived from the proceeds of the discounts of the subscribers' notes.

Q. That was your knowledge at the time? A. Yes.

Q. When you signed the report? A. Yes.

Q. Did you ever get that $10,000? A. No.

Q. How was that? A. We simply did not get it; that was all.

Q. You had a good deal to do with the application for the certificate to the Treasury? A. I had nothing to do with it.

Q. Did you prepare that report which we have just put in? A. Yes, I think Mr. Travers and I prepared it.

Q. He says you did? A. Possibly.

Q. You remember, at all events, the application for the money to make up the additional amount of $100,000 and you knew there was an affidavit being made to borrow on the notes? A. Yes.

Q. Had you anything to do with negotiating that yourself? A. None whatever.

Q. And did you go over the list of subscriptions with Mr. Travers? A. No.

Q. Did you know anything about what he called spreading the cash over the subscriptions? A. Nothing, except what I heard him tell in the Police Court.

Q. You really had nothing to do with it, is that right? A. I had nothing to do whatever with the application for the certificate.

Q. Had you anything to do with preparing the papers to be used? A. No, none whatever.

Q. At whose request did you sign the cheque for $150,000 you have spoken of? A. I presume, Mr. Travers' request.

Q. Did you endorse the notes? A. No, the notes were endorsed by Mr. Travers as the attorney. I think the notes I have seen the endorsement was in Mr. Smith's handwriting and signed by Travers as attorney.

Q. The money was paid in on or about the 23rd October? A. Yes.

Q. So that I suppose the provisional directors were fully aware that the power of attorney was being acted on for the purpose of raising the money? A. I do not know about the others, I was.

Q. I think I have seen somewhere that Mr. Travers says you were aware of the making up of that list? A. No, I think he says I was not.

Q. Who were the officers of the bank at that time, the officers of the provisional directors? A. At what time?

Q. Say, October 8th, 1906? A. I was chairman and Smith would be secretary and Mr. Travers was acting manager.

Q. You have spoken of Fitzgibbon and Shaver, when did they come into the employ of the bank? A. Smith went out some time in October, and then, I think, Mr .Shaver became the secretary, and some short time after that Mr. Fitzgibbon came in.

Q. Was he there before the meeting of subscribers when the directors were formally elected? A. Yes, they were both there; Smith would not be there, but Fitzgibbon and Shaver would be there.

Q. Where is Smith now, do you know—I am instructed he was in Vancouver or in British Columbia somewhere? A. I understand he is in Vancouver. The last time I saw him he told me he was going to Vancouver; I have not heard from him since.

Q. Who was the solicitor for the bank while it was under your charge as one of the provisional directors? A. Mr. Urquhart was part of the time.

Q. Was he succeeded by Mr. Hunter? A. Yes, he was succeeded by Mr. Hunter.

Q. Prior to the 8th October? A. It would be very hard to say when Mr. Urquhart went out and when Mr. Hunter came in; if you tell me any particular dates.

Q. I am giving you the 8th October, 1906? A. I would think Mr. Hunter would then be solicitor.

Q. He went down with Travers to Ottawa? A. I do not know anything about that.

Q. Apart from the $10,000 which you have paid, have you obtained any money, did you get any further monies from Mr. Travers from the bank? A. I got $300.

Q. For what? A. In settlement of the $10,000.

Q. In settlement of the remaining $10,000? A. Yes.

Q. Why did you not press your claim for the $10,000 which he had agreed to pay you? A. Well, matters had gone a little harder than we expected with the bank, and I thought it would be rather unfair.

Q. When did you make a settlement with him? A. Some time in January, I do not remember the date.

Q. Some time in what January? A. January, 1907.

Q. Mr. Travers says, in respect to that agreement of the 4th July, that when he entered into the agreement on the 4th of July they, that is the provisional directors, desired that $10,000 of the amount should be paid forthwith, and to that he agreed; that was before the issue of the certificate by the Treasury Board and before they had a sufficient amount of stock even subscribed to apply for the certificate, and the balance of $10,000 was to be paid after the permanent directors

were elected. Would that be right? A. The agreement says at the time of the election—

Q. The point I want to know is, before there was a sufficient amount even subscribed, the $500,000 had been subscribed? A. No, there would not be $500,000 subscribed then.

Q. Had the payment of the $10,000 been approved by the permanent Board at any time? A. I do not know what the permanent Board did.

Q. You never heard it was nor never inquired? A. I never inquired.

MR. COMMISSIONER: Who were the promoters of this bank, who got up the idea? A. I think the idea in the first place was originally with Mr. C. H. Smith.

Q. Had Travers at the beginning anything to do with it? A. Travers had nothing whatever to do with it until about the 12th of March.

Q. You had been going on, I judge from what you said, without any large success in getting large subscriptions? A. Yes.

Q. The $16,000 you spoke of, approximately, what did that represent? A. What I understood it represented was the money that had been expended.

Q. In what? A. For commissions, for rent, for advertising, for various things.

Q. Was there an account kept? A. Yes.

Q. Have you seen that account? A. I have seen that account, yes; it is in the ledger.

Q. I notice that the agreement provides that the provisional directors authorized Mr. Travers to pledge their personal credit for the payment of the notes that were discounted? A. I have forgotten about that.

Q. Was the credit of the Farmers Bank pledged or intended to be pledged for the payment of those notes? A. No.

Q. Were you acting under anybody's advice in adopting the course you took for raising the money? A. We were acting under advice from Mr. Travers, whom we understood was advised by Mr. Hunter.

Q. What did you expect to happen if the bank never went into operation; what did you expect to happen with regard to the $10,000, you and your associates? A. I expected we would have to repay it.

Q. Do you know whether in the forty thousand odd dollars, which was the sum said to be the preliminary expenses, the $20,000 that you were to receive was included? A. No, only $10,000 of it was included.

Q. Do you know where the $300 that you got in settlement of your claim for your share of the unpaid $10,000 came from? A. I do not know.

Q. It would be Travers that would be making the money and not the bank, if you took $300 for your share; I understood you to say that this money was to come out of Travers' commissions? A. Yes. There had been a good deal of trouble over the formation of the bank, and matters had not gone as I had expected they would, and I did not want to raise any trouble; that was the reason I—

Q. Were the other gentlemen who were entitled to a share in that $10,000 settled with at the same time? A. Yes, and all on a somewhat similar basis.

MR. HODGINS: I notice that the power of attorney contains the clause, "We personally guaranteeing the said notes"—that is what Mr. Commissioner referred to? A. Yes.

Q. What is the object of that? A. I do not remember.

Q. Just to get the $10,000? A. No, the power of attorney was drawn, I presume, by Mr. Hunter.

Q. Would you like to read it? A. (Witness reads over power of attorney).

Q. You see the words, "We personally guaranteeing the notes"? A. I had forgotten all about that being in the power of attorney.

Q. Do you remember why you people should guarantee the notes? A. No.

Q. Was there anything else you were getting out of it except the $10,000? A. No, nothing.

Q. Are you aware that the notes were all endorsed without recourse against you? A. I believe they were.

Q. Why was that change made? A. I do not know any reason for it at all.

Q. Did you ask for it? A. I don't think we ever did.

Q. Travers just—? A. Did it himself.

Q. Let you off? A. Apparently so.

Q. Was this power of attorney drawn by the solicitor of the bank, either Mr. Urquhart or Mr. Hunter? A. My impression is it was.

MR. COMMISSIONER: Which of you gentlemen had experience before in launching a banking institution upon the world? A. None of us except perhaps Mr. Smith.

Q. What is his business? A. He was a banker.

Q. Connected with that bank? A. He had managed, I think, a private bank; he had been manager of the Traders, and he had also conducted a private bank of his own.

Q. Who advised you as to the proper rate of commission to pay the persons who procured subscriptions for the stock; how did you arrive at a figure of 10%? A. We had been trying five, and we found we could not get the stock at five, so we raised it to ten.

Q. You would not know much about that; who told you what you ought to pay in the first place? A. I suppose—Mr. Gallagher was also a bank manager.

Q. What bank was he connected with? A. I think he was at one time a manager of the Sovereign.

MR. HODGINS: I should like to ask you, you did not give me the name of the solicitor that you thought prepared that power of attorney? A. I do not know.

Q. You thought it was either one or the other? A. Yes; probably Mr. Hunter, I should think.

Q. Were not the provisional directors to get a 10% commission themselves on what they sold in the way of stock? A. There was no understanding of that.

MR. COMMISSIONER: Did any of you get any commission? A. I got a little commission myself, and I think Mr. Fraser got some.

MR. HODGINS: I thought there was a resolution about that? A. I do not think there was a resolution about it.

The Commission adjourned at 1.30 p.m. to 2.30 this afternoon

The Commission resumed at 2.30 p.m., March 19th, 1912, at Osgoode Hall, Toronto.

JOHN WATSON, of Listowel, sworn by—

MR. HODGINS: Q. You were one of the provisional directors? A. Yes, sir.

Q. And were an active member of the Board until the charter was disposed of, the Provisional Board? A. Yes.

Q. Had you anything to do with getting up stock subscriptions? A. No, sir.

Q. Nothing at all? A. Nothing at all; I never sold a dollar's worth of stock, nor asked a man to buy a dollar's worth.

Q. What is your business? A. I am a brewer.

Q. You remained, however, a provisional director for something like two years or more? A. From the start of the bank until the end; that is, so far as the provisional directors were concerned.

Q. You attended the meetings? A. Some of them.

Q. Throughout? A. Pretty nearly all.

Q. You were familiar with what was going on? A. Yes.

Q. Were you familiar with those agreements that were produced this morning of the 12th March, 1906, and 4th July, 1906? A. The 12th March agreement I did not sign.

Q. Why not? A. Mr. Travers was a stranger to me, and the agreement had been signed by three members of the Board and I did not see that it made any difference whether I signed it or not, and I therefore did not sign it.

Q. You lived in Listowel? A. Yes.

Q. Was Travers known there? Not that I am aware of.

Q. You did not know him at all? A. No, sir.

Q. You did not agree then, do I understand that you did not agree, is that the reason you did not sign that agreement? A. I did not know anything about Mr. Travers at the time and I refused to sign the agreement.

Q. Was your refusal based in any way on the fact that the agreement was unfair? A. No.

Q. Up to that time had you expended anything that would justify the arrangement to pay the expenses of the directors provided they had not exceeded $16,000? A. Had we expended anything?

Q. Yes; had you anything that would justify any such sum as that? A. I think that sum there is too large. I think at the time, if I remember right, that the actual expenses up to that date were about eight or ten thousand dollars, but there were a few accounts that were unsettled, and that was Mr. Travers' suggestion to make it $16,000.

Q. And that, it was agreed, should be paid out of the funds of the bank, not by Travers personally. A. No, that was to be paid out of the receipts.

Q. It says, "to be paid out of the funds of the bank." A. Yes.

Q. Was your objection to sign at all connected with that item? A. No, sir.

Q. Was it connected with the fact that they were agreeing that Travers should be the General Manager, at a salary of $4,000 increasing and a pension? A. No objection to that; it was on account of Mr. Travers being a perfect stranger to me.

Q. You overcame that objection, whatever it may be, in July? A. Yes.

Q. And these other agreements are all signed by you? A. Yes.

Q. Do you know anything, or did you know anything about the books at that time? A. The books of the Bank?

Q. Yes, the figures? A. Nothing any more than what was told to us from time to time.

Q. Who did you look to to tell you? A. Mr. Smith.

Q. He was the original organizer, was he? A. Yes.

Q. And he got you to come on? A. Yes.

Q. What do you know about the preparation of these July agreements, had you anything to do with the instructions for them? A. Not in the least.

Q. Who presented them to you? A. They were presented at the Board meeting.

Q. Had you been consulted as to the terms? A. Not until they were laid on the table.

Q. They all knew you had been objecting to sign a previous one? A. Yes.

Q. They did not consult you until they laid them on the table of the Board? A. At the meeting, yes.

Q. On the 4th July or thereabouts? A. Yes.

Q. Did you read them? A. Yes.

Q. You are familiar then with the provisions? A. Yes.

Q. And that was to annul the 12th March agreement, to allow Travers to sell all the capital stock now unsold at par, and a premium over $500,000 and to allow him a commission of 10% thereon for expenses of selling same, payable one-half on the signing of the subscription and payment of deposit and the balance on allotment. Prior to that time the question of taking notes for the shares had come up? A. Yes.

Q. And you had an opinion upon it? A. Yes.

Q. You were familiar with that? A. Yes, led to believe that the opinion of Messrs. Urquhart & MacGregor was thoroughly reliable and that we could do such a thing.

Q. Were you aware that this agreement of the 4th July required you to pay 10% on the amount of the subscription irrespective of whether anything beyond the deposit was paid or not? A. That we were to pay.

MR. COMMISSIONER: The Bank? A. Yes; the Bank, they were to pay Mr. Travers 10% on all stock sold; it did not seem to make any difference whether it was put in by note or cash, the full amount.

MR. HODGINS: He was to get his commission? A. Yes, the full amount.

Q. And out of the cash that came in? A. Yes.

Q. This also provided for his engagement as General Manager at an increased salary of $5,000 for the first year? A. Yes.

Q. And also the pension which remained the same? A. That was his own suggestion.

Q. The provision then as to the $20,000 was apparently changed? A. Yes.

Q. Not only were the expenses to be paid out of the funds of the Bank, but this $20,000 to the Directors for their services was to be paid in the same way? A. Well, when Mr. Travers came in there as Acting Manager or to be General Manager, he said: "the amount of work you men have done for the last two years you should get $25,000 or $30,000 for it as a remuneration" and, he says, "I will get a Board elected to pass that amount for you". Now, the first agreement there was to go before the shareholders and if they confirmed that then we would get $20,000; if they did not confirm it we would not get anything. But some way or another the second agreement was changed after lunch and when I came in they said, Mr. Travers had agreed to assume the liability of the $20,000 and pay that money himself if we would pay him $10,000 today on his commissions, that he would take the chance of getting it from the permanent Board or shareholders.

Q. There was a meeting then before lunch and a meeting after lunch? A. Yes, one in the morning.

Q. That accounts for these two agreements? A. Yes, on the same day.

Q. Did you think it was a proper thing to vote as much as $20,000 to the Directors out of the funds of the Bank before its organization? A. We were not doing that.

Q. Who were? A. Nobody that I know of.

Q. You were signing an agreement that it was to be paid out of the funds of the Bank? A. Providing it was passed by the shareholders.

Q. Did you think that that was fair? A. It was at Mr. Travers' suggestion that it was done.

Q. Had you any justification that you know of for you Directors claiming that amount? A. I don't know as we had.

Q. Why did you sign the agreement? A. At Mr. Travers' suggestion.

Q. Did you think it was fair to the subscribers? A. If they passed the agreement why it was fair enough, for they then knew what they were doing.

Q. Did you ever see the stock subscriptions? A. No, sir.

Q. Did you ever see the power of attorney? A. Yes.

Q. Did you know that that power of attorney was to be used for voting at the meeting that the provisional directors were going to call to ratify, or rather to organize the bank? A. That it was to be used as a voting power?

Q. Yes? A. No, sir.

Q. What was your idea, who would ratify this, agree to pay it? A. The shareholders themselves.

Q. The payment of Travers of his commission was not conditional on any vote of the shareholders? A. No.

Q. So that in any event you knew that he was to get that? A. Yes, sir.

Q. But your payment of $20,000 was to be conditional on the vote of the shareholders? A. Yes; afterwards agreed to by—

Q. So that after lunch apparently there was a change, and Travers agreed to accept your claim and take the responsibility of it? A. Yes.

Q. And to pay the full $20,000? A. Yes.

Q. I do not see anything here as to the agreement that he was to be paid $10,000 on account of his commissions, was that a verbal understanding? A. Yes.

Q. That is the real consideration for this second agreement, for his assuming the $20,000 he was to be paid $10,000 immediately? A. He said, "I will assume the $20,000 and take the chance of getting it from the shareholders, and if you will pay me $10,000 today I will pay you $10,000 on account of the amount due you out of my commission".

Q. So that you four or five directors and Mr. Travers became, from that time on, equally interested in having the shareholders confirm the payment of $20,000? A. It did not make any difference to me or to the other shareholders.

Q. You could not get the balance of the $10,000 without confirmation? A. We did not get it.

Q. You could not get it without confirmation? A. We could have held Mr. Travers, I suppose; it was a personal matter with him, the way I looked at it.

Q. He became the only one you think interested in getting the confirmation? A. Yes.

Q. Did you know anything about his financial standing? A. No, sir.

Q. Did you know he was worth $10,000? A. No, sir.

Q. You did not have much confidence in his assuming that, did you? A. I thought he would have lots more money coming to him through the sale of his stock and he would be gentleman enough to pay it.

Q. You still intended however that it should be confirmed at the shareholders' meeting? A. We had nothing to do with that.

Q. You received on the same day your share of that $10,000, I suppose—I suppose your signature is here? A. Yes, sir, I got $1,000.

Q. $1,500 was it not? A. If the whole $20,000 had been paid I was to get $1,500.

Q. Only $10,000 was paid and you got how much that day? A. $1,000.

Q. Why did you get more than your share? A. I don't know. They just gave it to me, that was all. It was agreed I would get $1,000 that afternoon after dividing it up.

Q. Was that arrangement made before you signed the new agreement after lunch? A. No, afterwards.

Q. You settled later on, didn't you, the balance? A. Yes, I got $100. I was going past the Imperial Bank in Listowel one day and one of the clerks came out and called me in, and he says, "The manager wants to see you," and I went in and I asked him what it was, and he says, "We have a receipt here for you to sign and also a cheque, which I will give you when you sign the receipt, from Mr. Travers, in full settlement," and so I took the $100 and signed the receipt.

Q. The date of that would be July the following year? A. Yes, somewheres about that time.

Q. Look at those two receipts and say if they are your receipts for $100, and also an order? A. Yes.

Q. The receipt is not dated, I see, but attached to it here—and perhaps you will tell me if they were signed the same day? A. I think so.

Q. Here is an order on Robertson & McLennan, dated 23rd July, 1907, to deliver to Travers an agreement lodged with them on or about the 4th day of July last? A. Yes.

Q. Do you know what that agreement was? A. I do not know, I forget what that was.

Q. Probably was this very agreement? A. I do not know which one it was; I know there was an agreement or some paper placed there in care of Robertson & McLennan, in their charge, and what it contained I cannot tell you.

Q. Mr. Robertson has been examined, and he says he does not know anything about what the document was? A. I cannot tell you.

Q. You cannot identify it? A. No.

Q. Did you leave it with him? A. No, sir.

Q. Who did? A. I don't know.

Q. Why did you settle for $100; why did you not make your claim against him; did not the shareholders ratify it? A. I don't know whether they did or not.

Receipt of John Watson for $100, with order on Robertson & McLennan to deliver to W. R. Travers Agreement, filed as EXHIBIT 16.

Q. Were you at the first meeting of the shareholders, the organization meeting of the bank? A. In a way I was and in another way I was not. I came down to attend the meeting to see that everything so far as the provisional board was concerned was satisfactory to the shareholders, and when I went to the head office of the bank where the meeting was to be held Mr. Travers ordered me out, and so, being a stranger in the city and not wanting to make any fuss, I left the place.

Q. Explain why he ordered you out? A. Because I was not a shareholder.

Q. How was that? I thought you had taken stock, hadn't you? A. No, sir, never had a dollar.

Q. Never subscribed for any? A. No, sir.

Q. And acted as provisional director throughout? A. Yes, I was told it was not necessary for me to take stock.

Q. Had you been asked to take it? A. I told the party that asked me to go on the Board in the first place that I would not take any stock. I says, "If you want me on your Board you will have to have somebody who has stock, if it is required, to transfer it over to me".

Q. You had no financial interest in the matter from beginning to end? A. No, sir.

Q. And you got $1,100? A. Yes.

Q. Is that all you got? A. I got my travelling expenses and director's fees.

Q. The directors' fees that were paid to the provisional directors amount to $11,760; have you any idea how much you got out of that? A. About between three and four hundred dollars, I think.

Q. That would be all you got? A. Yes.

Q. I suppose we can verify that from the books? A. Yes; that is as near as I can remember.

Q. Who made the arrangement with Travers to sell the charter to him? A. I could not tell you.

Q. That was the idea, that he should take over the charter? A. I think so.

Q. From the 4th July on your people had no substantial interest in it at all, had you? A. No, sir, no more than—

Q. Travers and Travers' sub-agents got the subscriptions taken up? A. Yes.

Q. And handled them, I suppose? A. So far as I know.

Q. Where was the money placed; had you anything to do with that? A. I never handled any of the money at all.

Q. Did you ever sign cheques? A. No, sir, nothing to do with the money at all. It was placed, I understood, with the bank, the bank account was kept with the Traders Bank of Canada.

Q. You finally signed a power of attorney to Mr. Travers to endorse the notes? A. Yes, sir.

Q. Were you present at the meeting on October 8th at which that resolution was carried? A. I think I was there, I am not sure.

Q. You, I suppose, became aware before signing that it would be necessary to use those notes in obtaining money enough to make the deposit? A. I don't know that I was aware of the fact of how he was going to raise the money before we had given him power of attorney, but as I understood the matter that it was legal for us to receive the notes for payment of stock that it must surely be legal for us to use them for the interest of the bank. I did not know how he was going to get the money or where from or anything about it.

Q. The 8th October, 1906, I see, you are down as being present? A. Yes.

Q. And the resolution I speak of:

> "That the provisional directors execute a power of attorney to W. R. "Travers for the purpose of endorsing all notes in their names as provisional "directors, and of signing their names to a note or notes for the purpose of "raising funds to put up a deposit with the Government; and we authorize "the Secretary to hand over all notes to W. R. Travers for the said purpose."

Who would have possession of those notes up to that time? A. I could not tell you.

Q. Were they ever produced at any meeting of the provisional board of directors? A. Not that I am aware of.

Q. And you cannot speak as to their custom? A. No.

Q. Did you know W. J. Lindsay? A. Yes, sir.

Q. Had you been acquainted with him long? A. About 25 years.

Q. You knew he was a stock seller? A. When I first knew him he was a commercial traveller.

Q. What became of him after that; when did he take up stock selling? A. I did not know he was stock selling till he was selling for Mr. Travers.

Q. When did you know he became connected with the organization of the bank? A. After Mr. Travers' engagement in March.

Q. Then you knew that Mr. Lindsay was— A. Selling stock for Mr. Travers.

Q. Who was the one, so far as you know, that was taking over from the provisional directors the charter? A. The shareholders of the bank, that is what I understood.

Q. Who was going to supersede you people? Who was to be the— A. To be the next board of directors?

Q. Yes; was any arrangement made about that? A. No arrangement, so far as I know or remember.

Q. It was understood you all would drop out, was it not? A. I don't know whether it was understood that way or not; there was nothing said to me.

Q. At all avents, you were quite sure of it when you went to the meeting and were turned out? A. Yes, but before that, I have a letter from Mr. Travers, but I have not got it with me—

Q. Telling you that? A. Asking me to be a director.

Q. And you declined? A. Yes, sir.

Q. Was any one associated with Travers in March or in July when those agreements were made; they are made with him personally? A. They were made with him—do you mean anybody else in the room with him?

Q. No, any one associated with him in the affair? A. No, they were all with Travers; so far as I know, the provisional board did not know anybody else in the transaction but W. R. Travers.

Q. You mean you did not know any one was associated with him, you thought he was doing all of this? A. So far as the agreement was concerned.

Q. Did you know that anybody else was associated with him in the matter, did you recognize Lindsay as one of his associates? A. No.

Q. Or any one else? A. No.

Q. Were you aware at the time when that resolution was passed on the 8th October of the amount of commissions that had been paid out by your co-directors? A. No, I do not remember.

Q. Would you have been surprised that that amounted to $21,000? A. I would not have been surprised.

MR. COMMISSIONER: I do not quite understand what the reason was of Mr. Travers treating you the way you say he did, had it anything to do with your refusal to become a director? A. I don't think so.

Q. Had you no words together, nothing to lead up? A. Mr. Travers and I we never had any words; while he did not take very kindly to me after I did not sign the agreement for a while, but the more I saw of the man the more favorably impressed I was with him, and Mr. Smith being a brother-in-law of mine, he had some feeling towards Smith, and I suppose he thought that probably I was there to try and spy and see what was going on and then carry the news to Mr. Smith; I had no intention of that at all.

Q. That is Mr. C. H. Smith? A. Yes.

MR. HODGINS: Can you say where Mr. Smith is now? A. So far as I know I think he is in Vancouver. I have not had any communication with him since last November.

A. S. LOWN, Recalled by—

MR. HODGINS: Q. In the accounts of the provisional directors I want to ask you about an item which appears charged to you and that is an item of $560; is that any part of your fees, or is that a loan or what is it? A. No, it was mostly for travelling expenses.

Q. It appears as a separate and distinct item quite apart from these items in the books, it seems to be carried through as a special item? A. It is made up I think of a number of small items, and I think it was mostly for travelling expenses as far as I can remember.

Q. The travelling expenses of the provisional directors are all charged up at the sum of $1,057, and their fee likewise, and so on, and then comes these items; furniture $327, and A. S. Lown $560—can you throw any light on that item? A. I was at Ottawa twice or three times, and I was a great number of places, and I think that $560 was allowed me for my time and my travelling expenses.

Q. Why would it be charged in a separate account? A. I don't know.

Q. Are you able to say that does represent travelling expenses and it is not included in the $1,057? A. The $1,057 would be travelling expenses of directors to and from home, and this was separate travelling expenses.

Q. Where to? A. I was in Ottawa, Woodstock, Embro—

Q. How would that differ from the travelling expenses of any other director? A. I don't know why it was charged that way.

MR. COMMISSIONER: What is the date of that?

MR. HODGINS: I don't know, you can trace it up.

MR. COMMISSIONER: The books will show that. A. I think it is made up of a number of small items.

Q. Did it include your travelling expenses to Ottawa? A. I cannot just recollect off hand. I remember the matter came up before the Board of Directors and the item was passed.

Q. You have a distinct recollection of the item? A. Yes.

Q. That it was passed for travelling expenses? A. I think for travelling expenses.

Q. You were down, were you, in Ottawa, several times for the charter? A. Yes.

Q. Were you down on the last occasion 1906? A. Yes.

Q. Would it have included the expenses there? A. I don't know what the last date of that—

Q. I won't spend any more time now; we may have Mr. Clarkson give us the details of that, and if it is of any importance I will get you to speak of it again. I thought you could tell me offhand.

JOHN FERGUSON, Sworn, Examined by—

MR. HODGINS: Q. You have lived in Toronto and are a physician? A. 37 years I have lived in Toronto.

Q. And you were one of the original provisional directors? A. Yes, sir.

Q. Who got you into the directorate? A. Through my acquaintance with Mr. Smith and Mr. Lown.

Q. Had you any stock? A. No, sir.

Q. You never had any financial interest in the matter? A. As an incorporator and provisional director only.

Q. You had no financial interest in it? A. I took no stock, although I may say here by explanation, it was intended I should have done so, but close to the end of our provisional work and nearing the time of calling the shareholders together Mr. Travers expressed to me his feeling in the matter that he thought if he got business men associated with him on the Board that it might perhaps be of better interest to him. I said "Anything that will assist you most will suit me also."

Q. You had the intention? A. That was my intention at that time up till that conversation occurred, and that relieved me of becoming a subscriber and going on with him further.

Q. During all this time since the incorporation until the end of 1906 you had never been asked to take any stock? A. Not further than that understanding with Mr. Travers that I should do so: just as the time came about when he then interjected this—

Q. I understand that: did you know that your other provisional directors were in the same position that they had not taken stock? A. I think none of them had taken stock but Mr. Lown, and I think just a small amount he had.

Q. He is down as a subscriber for one share? A. Yes.

Q. What was the modus operandi of getting stock subscribed for? A. That was done through Mr. Travers.

Q. Before Travers came on the scene at all? A. Mr. Smith had disposed of a considerable amount of the shares of the bank and then subsequently we had a Mr. Beith, an old experienced banker with us for some time. I do not know how much was disposed of during his term, and then Mr. Travers came on and completed the organization.

Q. Up to Mr. Travers coming on had Mr. Smith been paid a commission or was he on commission? A. Yes, he was receiving a commission.

Q. What commission were you paying Mr. Smith? A. I think it is the same, speaking from memory, I think it is 10%.

Q. During Mr. Smith's time there were no notes taken for stock, were there? A. Not at that time.

Q. It was all cash subscriptions? A. Payments of cash according to the terms of the subscription.

Q. No notes were accepted? A. No.

Q. Who was the one who, so to speak, ran the matter for the provisional directors? A. Travers almost solely—

Q. Before that? A. Mr. Smith, he would be the principal one. He was in the office.

Q. Had you an office? A. Yes.

Q. Where was it? A. We had offices in rooms in the North American Life Building, King Street.

Q. I thought you had an office at Aurora? A. No.

Q. There was a meeting held out there? A. No, office there, no meetings held.

Q. You are familiar with the minutes, you know what occurred from time to time? A. Generally so.

Q. You came to the conclusion, you and the other directors that you could not put it through? A. I don't know that we came to that conclusion, but we came to the conclusions that are minuted there. One resolution was that we would return such moneys as shareholders had paid and discontinued the effort.

Q. That resolution was actually carried, was it not? A. No, that did not meet with the majority of the provisional directors.

Q. You were the one who moved that? A. I moved that resolution.

Q. But that was not acceptable? A. The record is there, two to three.

Q. I see that is on the 13th February, 1905, you moved, seconded by Mr. Fraser, that all moneys paid on shares now placed be returned and the expenses up to date be defrayed equally by the provisional directors—that was lost? A. Yes.

Q. You moved, seconded by Mr. Fraser, that application be made to extend the time? A. Just so.

Q. After that had you success during the following year? A. Well, no, the success was not very great, there was still some stock being sold, but Mr. Beith did not seem to push it with marked success, and we arranged with Mr. Travers.

Q. Am I right in saying that you had practically given up any idea that you could succeed in it when Mr. Travers came along? A. No, I do not think that was in our minds, because if we had not arranged with Mr. Travers there were several other very promising and experienced banking men whom we had in view as being able to take the matter over and succeed, but he impressed us favorably, and the arrangement was made with him.

Q. That arrangement was in short to turn over the charter to him together with the benefit of the subscriptions? A. Turn over the organization of the company to his hands so that we would co-operate with him as provisional directors, but he would do the work on a commission basis.

Q. And he was to have the right to organize the bank as he thought well? A. Yes, as arranged in those agreements. They set forth the terms that we understood each other.

Q. I don't know that I need go over those with you; you were aware, I suppose, soon after Travers took hold that he was taking notes for the subscriptions? A. That became known to us, and we refused to accept them till we had legal opinion.

Q. And you got legal opinion? A. Yes.

Q. And thereafter you raised no objection? A. Oh no, we were guided by good legal opinion.

Q. And that opinion was got shortly before the agreement of the 4th July? A. Yes, it was about that date, shortly before.

Q. Then it had been got I think between the 12th March and 14th July? A. Yes, it was close up to somewhere in the middle or latter part of June that the note question came up.

Q. Had that anything to do with enlarging the amount that was to be paid to the provisional directors? A. Not the slightest. There is here a point that has perhaps not been brought out as clearly as it ought to be and just as it should be; the agreement of the 12th March in which $16,000 is mentioned arose in this way: a certain amount had been expended, an unknown indebtedness probably had been incurred by agents in the sale of stock of one way or another and Mr. Travers says, " now, give me some sum sufficiently large that will cover the disbursements of the provisional directors ",—no emoluments for us whatever,—" to cover your legitimate disbursements, and if it is too much it will be so much the better for me, because I will have less to pay out, but put it at some sum that you won't have to come back to me for more ", and that is the reason for that $16,000 being put in there. I think at that time, if my memory serves me, there were probably ten or eleven thousand dollars, I don't know exactly, that we had reasonable knowledge of having been expended and there might be something out that we did not know of, still incurred; that is the explanation of that $16,000.

Q. He did not want you to come back to him for more? A. No.

Q. Why did you go back to him on the 4th July? A. We did not go back to him whatever; there was no connection. The first was a provision for disbursements; the other was provision for compensation to us, wholly different issues, and it was not raising the question at all, it was not climbing up the ladder.

Q. Excepting as a matter of figures? A. It was not climbing up the ladder even as a matter of figures; they were two different questions.

Q. $16,000 in the first instance and $20,000 plus all those expenses in the second? A. That is not the true position. The $16,000 was a provision for legitimate disbursements, such as office rent, stationery, telephone, small commissions and travelling expenses.

Q. Directors' fees? A. Not a cent whatever for directors' fees excepting some Board meetings that might have previously been attended were included as disbursements, but the other agreement was a specific provision outside of these office expenses for compensation to the provisional directors and to Mr. Smith.

Q. You have a pretty good knowledge of it; what was the reason for the claims of compensation for $20,000 which had not been in the first agreement? A. There was nothing in the first agreement for compensation at all; get that cleared away. This other was almost solely, as has been stated already, Mr. Travers' own suggestion. He said he was well acquainted with banking matters and with organization of banks and provisional directors who had spent so much time as we had were entitled to compensation, and he mentioned twenty-five to thirty thousand dollars frequently as a reasonable sum to put in for that purpose.

Q. He was buying the bank from you? A. Never mind, that was his suggestion. But here again let us be fair and make a statement or two; Mr. Smith was to have been an employee of the bank, he was giving up that position and relieving himself of that; he had an undertaking also for the sale of some stock for a certain block of stock on which we would have made considerable money, and he was surrendering that over and which would go through Mr. Travers' possession, and in lieu of that he was to get out of that amount $5,000. He was not a provisional director at all, but Mr. Travers was to protect him to that extent out of his own emolument.

Q. That was an additional payment beyond the $20,000? A. Not at all, it was part of the $20,000.

Q. But the $20,000 is specifically, I think, in the agreement for the benefit of the provisional directors? A. Yes, but there is an agreement that $5,000 of that was to go to Mr. Smith, $2,500 at the time and $2,500 later.

Q. It was not with Travers? A. No, it was coming out of the fund just the same.

Q. But it was not an agreement with Travers? A. Probably not.

Q. He had to pay you? A. Yes.

Q. You mean you were taking care of Smith? A. Yes, that was the ultimate distribution in that way.

Q. To the extent of $5,000? A. Exactly so.

Q. You of course saw a pretty good thing in it when Travers made you the offer of twenty-five to thirty thousand dollars. A. Not at all, for the amount I received out of it I would not go through the same amount of trouble again for—

Q. I am putting it to you this way: it was generous for Travers to give you twenty-five or thirty thousand dollars for what you have done, you and the others, you did not regard it as a generous offer? A. So far as I was personally concerned I did not.

Q. Then you must have divided up the sum in your own mind in order to judge that? A. How?

Q. You said, "so far as I am concerned it was not"? A. So far as the amount coming to me was concerned I did not look upon it.

Q. What was the amount? A. I got $1,500 out of that first division.

Q. Was that arranged at the time Travers agreed or offered the $25,000 or $30,000? A. I do not know how far that arrangement was made with Mr. Travers.

Q. What I want to get at is this, see if I am right, I was suggesting it was a generous offer of Travers to give you people, who had practically failed in organizing the bank, twenty-five or thirty thousand dollars for your own work up to that date; I was going to ask you whether in view of that offer you, the provisional directors, did not agree to take care of Mr. Smith who was not a provisional director, and did not negotiate with him and get him to come in and agree, is that a fair statement? A. He was not a provisional director, and for that reason he was not in the agreement.

Q. But you could not carry through the agreement and hand things over to Travers unless Smith was settled with? A. Yes, because you see we were the provisional directors, we could bargain as we pleased; we were not held up by Smith in any way, but we felt it a proper thing to do.

Q. I thought you said Mr. Smith had an agreement with you? A. Yes.

Q. For a block of stock? A. Yes, and he was quite willing to surrender that and come in

Q. On getting $5,000? A. Well, no, he had two understandings; he had two conditions; first of all he was to get his permanent situation, and secondly had this arrangement for a block, and this was in lieu of that; this was all done as a matter of perfectly fair, frank conversation and discussed amongst us.

Q. It was a matter which ultimately resulted in a bargain after talking it over? A. It did, ultimately it resulted in that agreement.

Q. And the result of the agreement was that the provisional directors got Smith to agree to take so much in full of all his claims so that they could turn the thing over to Travers? A. Well, of course, it gave Smith what we thought was justice, and out of that total sum of money—

Q. Out of the money which was offered by Travers? A. By Travers, out of Travers' own income.

Q. What had you done to justify your making that agreement on behalf of the provisional directors to get $20,000 for their services for two years? A. As far as I was concerned I attended the bank offices very, very frequently, not only meetings, but was in instant communication with those in charge of the work.

Q. Nothing more definite than that? A. I have no detail, I kept no minute, no record personally of my visits to the bank offices, and conversations with them, and seeing the people and so on.

Q. What were the financial results of your efforts to the bank? A. Oh, well—

Q. Did you produce any subscriptions? A. No, I took no subscriptions.

Q. Did you get any commissions? A. No.

Q. What amount did you get out of this $20,000, or rather out of the $10,000 that was paid? A. $1,500.

Q. All told? A. Outside of the small amount off directors' fees paid.

Q. Did that include both your share of the $10,000 and the settlement for the balance of the $10,000? A. The settlement of the balance of $10,000 was in July of the following year, and was for $200.

Q. It would be $1,700 you got? A. Yes.

Q. What director's fees did you get? A. Probably a couple to $300, I don't know exactly from memory, it was a small amount.

Q. $200, I see your receipt is dated June 19th, 1907? A. Yes, that is the settlement on the remaining one-half of the agreement.

Q. Why did you settle in that way—allow me to put this to you; Travers had undertaken with you in July that he would pay you $20,000? A. Yes.

Q. Irrespective of whether the bank sanctioned it or not? A. Yes, he was to pay that out of his own.

Q. He had succeeded in getting the bank up? A. Yes.

Q. And it was in a flourishing condition in June, 1907? A. Yes.

Q. And he was getting a salary of $5,000 a year? A. Yes.

Q. What was the reason for the settlement? A. I had met him occasionally, and in conversation he said he would like if I would, and he thought the rest would, be easy with him, he had difficulties and the disbursements had been somewhat heavy in one direction and another, and I wished him every success, and was quite satisfied to practically forgive my claim to him and settle for that amount.

Q. I suppose you realized you had not any claim, you could not have enforced it? A. I looked upon it as valid.

Q. You all seem to have taken the view you had better take a few hundred dollars and get out? A. No, it was not scalping it because I thought I had no claim, but I wished Mr. Travers to succeed. He said he had had heavy expenses, and I was perfectly willing to assist him in every way.

Q. Did you know what the expenses charged up as spent by the provisional directors were? A. Not from the books, I did not investigate the books.

Q. Did you ever go over them to see? A. No, I did not add them up.

Q. Did you know they amounted to $44,000? A. From the information furnished me from the books, about that.

Q. Did you know that that included the $10,000 which Travers was paid? A. Yes.

Q. And which you and the other directors got back? A. Yes: that was included in the disbursements to Travers as a commission and then payment back to us.

Q. Did you think that was fair to the in-coming shareholders, that arrangement you made that he should get the commission and pay it back to you? A. We did, otherwise we would not have entertained it for a moment; I thought we were doing him a perfectly fair thing when we paid him a commission.

Q. You did not realize the extent to which the expenditure had gone, did you? A. We were assured by him it was not heavy for the promotion of a bank, about forty odd thousand dollars.

Q. Were you astonished when Mr. Lown read out that report stating the expenses were $44,000? A. Oh, no.

Q. Did you know that that included $11,000 odd of directors' fees during that time? A. That would include that $10,000 as well.

Q. No it would not, would it? A. There was no $11,000 directors' fees in addition to that $10,000.

Q. You think not? A. Positive.

Q. It must either be in the one item or in the other, commissions or directors' fees? A. I do not know how the $10,000 was entered up in the books, that I cannot tell you.

Q. I understand you to say that either commissions or directors' fees would include the $10,000? A. Yes.

Q. That would make $32,000 altogether, including that sum? A. No, no.

Q. Commissions are $21,000 and the directors' fees $11,000? A. Yes, but not to us I mean.

Q. Oh, no, you did not get any commissions? A. No, our directors' fees were probably about $1,500 all told.

Q. Outside the $10,000? A. Yes, making eleven or twelve thousand dollars total going to the directors.

Q. You do not know anything about the payment of any other sum to him on account of his commission, to Travers? A. Later on?

Q. Yes? A. No.

Q. Did you attend the organization meeting? A. No. You see I was not a shareholder, and I understood for that reason I could not attend, but there was another reason; Mr. Gallagher, who was a provisional director at that moment was practically in a dying condition, and I with two other medical men were attending upon him that day.

Q. Do you know anything about Travers borrowing from the Trusts & Guarantee Company? A. I knew he was raising money on the notes but I did not know where.

Q. That was clearly understood by the provisional directors that he was doing that for the purpose of making a payment? A. He had told me so.

Q. And you, of course, realized that it was you as provisional directors that had to make the deposit out of the moneys? A. We made the deposits.

Q. You had to make the deposit out of the moneys, paid on account of the subscriptions? A. We had to receive money on the subscriptions.

Q. Were you aware that he was not doing that, but was raising money outside, paying in money raised outside and not money paid on the subscriptions? A. Yes, I knew he was using those notes, but my understanding of the transaction was this, that a certain person made a note which we had accepted under legal advice. That note was made to the provisional directors and endorsed over by him to deposit somewhere to get the money for these people we looked upon that as a perfectly legitimate transaction.

Q. Did you realize that the list of shareholders to go in would have to show the amounts that each shareholder had paid upon those subscriptions? A. No.

Q. That that list would have to go to the Department of Finance? A. No, I do not know that I knew that in those specific terms, but even if so they would get credit for the money that would come from the notes; the bank was not obligated in that transaction.

Q. What bank? A. The Farmers Bank.

Q. Obligated in what? A. In these notes.

Q. Why not? A. Because the people made the notes to the provisional directors and the provisional directors turned the notes over to Mr. Travers.

Q. Then you are familiar with the Bank Act, are you not? A. I did not pay a very great deal of attention to it.

Q. Who owned the notes that were given by these shareholders? A. They were made to the provisional directors.

Q. Whose property were they? A. They were made to the provisional directors endorsed over to Mr. Travers.

Q. I did not ask that, whose property were they?

MR. COMMISSIONER: You are asking him perhaps a difficult question of law; he is not bound to answer.

MR. HODGINS: I did not mean to put it that way. A. My understanding was they were not the property of the bank.

Q. Did you understand that your duties of provisional director were limited to receiving subscriptions and payments on account thereof? A. That is what it said, but I do not know that I or any one else can say what that means.

Q. You are not to be blamed for not knowing the law or otherwise, but did you know that the money which came in on the subscriptions was something to hold in trust, and that you could not deal with except under the Bank Act? A. Generally, that would go for granted.

Q. Did you regard the notes in the same way, as held by you in trust? A. We would regard the notes as received by us in trust for those people to be used in a proper way, and we believed—

Q. What way did these people authorize you to use the notes? A. They gave the notes to the provisional directors.

Q. Is that correct, as a matter of fact, Dr. Ferguson? A. I think so.

Q. Were they not payable to the Farmers Bank originally? A. There may have been a few of them that way, probably a few.

Q. And were they sent back and made over again payable to the provisional directors? A. I believe some were, but what few I do not know.

Q. From that on they were all taken to the provisional directors? A. Yes.

Q. There is no doubt you knew they were from shareholders and subscribers? A. We knew that.

Q. You knew then you had no right to use them to raise money upon them? A. We did not know anything of the kind; we thought we had a perfect right; why should we not?

Q. Why did you not raise money on them? A. Money was raised on them.

Q. Why did you not? A. Mr. Travers was managing the bank and we endorsed them over to him.

Q. Did you assume he was raising the money on those notes? A. Yes, he was getting money advanced on those notes.

Q. He was getting it for the purpose of the bank only? A. For the purpose of supplying for these people in payment on their shares.

Q. He would have no warrant for saying he was borrowing personally upon those notes? A. I do not know whether he says that or not.

Q. Supposing he did, is that your understanding of it? A. I could not say; that might be a legal question that I have no means of answering.

Q. You either knew they were handed over to him to do as he liked with or handed over to him for a specific purpose, which was it? A. To get money.

Q. And not to borrow money personally upon the notes for his own benefit? A. Certainly not for his own benefit but to apply it back to the credit of these people who had made the notes.

Q. It was intended when you endorsed those over to enable him to raise money upon the notes for that purpose? A. Yes, he was to use the notes for that purpose.

MR. COMMISSIONER: Do you know why it was that the change was made from making them payable to the provisional directors? A. Mr. Travers told me himself, "I have been legally advised this is the proper way to do; the bank is not authorized, it has not a Permanent Board, and if it could not in its own right negotiate its own notes, and if you will do it this way it will put it in a position that it is negotiable paper".

Q. When did you settle with Smith that he was to get the $5,000? A. That would be about the 4th of July, 1906.

Q. It appears that about the time that the certificate was being obtained from the Treasury Board, Smith was in Ottawa pressing a claim of $1,800, part salary and part commission; from what you have already said I judged you thought his claim had been settled in full? A. He was to get $5,000; he got $2,500 on that July date; then there would be $2,500 left to him out of the remaining $10,000; it might have arisen somewhere under that, that he was pressing for that $1,800, but on that I cannot give you any definite information.

Q. Did he agree with you that he would give up all his claims against the bank for the $5,000 that you were providing he was to get? A. Yes, he was giving up his claims to any position in the employ of the bank, and also returning to the treasury the block of I think $100,000 of this stock that he had to sell.

Q. Supposing he had sold stock on commission, and that salary was due to him, was that included at all? A. No, any commissions earned at that time, would not, I do not think.

Q. Nor his salary? A. No, nor up to that date his salary.

Q. It was simply those two items? A. Yes, of $100,000 of capital stock that he had a right to sell, and his prospective situation; just those two items.

Q. Why was it important to get rid of his right to sell that $100,000? A. Mr. Travers wished it; he said that he must have the absolute control so that "I can direct the whole thing and be absolute in control".

ALEXANDER FRASER, Sworn, Examined by—

MR. HODGINS: You were one of the provisional directors? A. Yes.

Q. You live in the City? A. Yes.

Q. And were living here in 1906? A. Yes.

Q. Who got you into the bank? A. Dr. Ferguson suggested.

Q. An old friend of yours? A. Yes, my medical doctor.

Q. I suppose, however, he said to you to come on and you need not take any stock? A. No.

Q. Was not he giving you his own medicine? A. No, I think on that point it was the intention at the beginning of all the provisional directors to take some stock.

Q. They had all the intention? A. But not till near the end to see what would be required in the final close up; I think that was the general understanding of the conversations regarding when we should take a little stock each.

Q. You never did any way? A. No.

Q. So that you are another of those who had no financial interest in it? A. Yes.

Q. During the two years you attended the board meetings, I suppose? A. Yes.

Q. And I suppose when these agreements came along, when you felt you had failed and the agreement came along and Travers offered this amount you regarded it as a good windfall? A. No, I would not like to put it that way.

Q. You did not do any work? A. Yes, I did a great deal.

Q. You were paid commissions? A. Not for the work—commissions were paid to me in connection with the selling of stock.

Q. That is really all you did except attending board meetings? A. Oh no.

Q. Was not Mr. Smith the one who did the active management of the bank affairs? A. No, Mr. Smith did the outside work, the field work, and I did the inside work for considerable time; I acted as secretary.

Q. You were paid for that as secretary? A. Not a cent.

Q. Was there no salary at all? A. No, that was entirely gratuitous in view of the final settlement with the shareholders' meeting.

Q. The amount you got as commission was $800? A. That is wrong.

Q. How far wrong? A. It is wrong by one-half.

Q. Do you mean you had to pay sub-agents? A. That was on account of sub-agents.

Q. You do not dispute the figure that you got $800, but you had to divide it up with some one else? A. No, I did not get the money; but I had to give a receipt for $800; the agents did not hand in their commission with the money they sent in on payment of the stock; so that I did not get the money, but I gave a receipt for it, because I have their receipts for it.

Q. I have the provisional Board's ledger here, in which you are down for various items aggregating $800, how much did you get? A. I got $400.

Q. Who got the balance? A. The agent in the field.

Q. He had no bargain with the company? A. No; he had with me.

Q. Or with the directors; you would be entitled to draw it upon the subscriptions, you would be bound to pay him one-half? A. Yes.

Q. That is what happened? A. That is not the way it was done, but to the same effect.

Q. You only netted $400 out of $800? A. Yes; that was on account of Mr. Smith's stock, and I acted for Mr. Smith's stock.

Q. What do you mean by on account of Mr. Smith's stock? A. There was an agreement with Mr. Smith that he should have the right for the selling of so much stock, and he asked me to communicate with people that he thought might act with me in selling that stock.

Q. However, whatever you did you got paid for, and Smith got paid for his? A. Smith had directly nothing to do with that himself; I reported to him, however.

Q. You know, of course, about these agreements? A. Yes.

Q. You knew about them and signed them all? A. Yes.

Q. How much did you get out of the $10,000? A. $1,500. There is the explanation there. I got a cheque for $3,000 out of the $10,000 and that cheque is on record, but that cheque was divided between Dr. Ferguson and myself equally.

Q. Why was it necessary to do it that way? A. Because we did not expect any money that day, and it came on us by a surprise.

Q. What? A. $10,000, and we had not settled what proportion ought fairly to go to each one, and we left the final adjustment for the second payment, which was expected. That also accounts for Mr. Watson—

Q. You say it came on you of a sudden? A. Yes.

Q. Why should they make a cheque to you and not to Dr. Ferguson? A. There was no reason why that should not be done except that it was not done.

Q. You were to get $3,500 out of the $20,000? A. Yes.

Q. So that your half of that would be $1,750? A. Yes.

Q. How much did you get? A. I got $1,500 and $200 subsequently in settlement of the second $10,000 which was settled for, as explained already by the others.

Q. Dr. Ferguson is down for $3,500 out of the $20,000 and you are down for the same thing, making $7,000 in all, so $3,500 would be your share and his together out of the $10,000? A. Yes.

Q. Why did you not get that full share? A. I am not very clear as to that; my impression is that we thought it would be rather large in proportion to what the others would get.

Q. Who got the $500 that should have come to you and Dr. Ferguson? A. I think that part of that was given to Mr. Watson and part to Mr. Gallagher; they were under heavy expenses of travelling, and I think they put it that way them-

selves, until the final settlement; that would be the more decent thing to do at that time, to give them a little more.

Q. I thought you said you had a claim for your time? A. Yes, I acted for, I suppose, a year as secretary; practically for three or four days a week at noon hour; we had a regular office and a stenographer, and I carried on the correspondence with the people throughout the country, interesting them in the bank, and then I prepared the notices for the newspapers and advertisements, and did a good deal of work, and I travelled ten or twelve times out of town. These things were services that Dr. Ferguson thought were fully as valuable as those he gave; I thought his services were more valuable, and at this very disposal I suggested that he should have more than I should have. There was very good feeling in the whole matter.

Q. I should think so, dividing up this amount? A. That explains the difference in the amounts paid.

Q. I suppose it was Mr. Travers that put it into your minds that you ought to be paid for your time; you had always intended to take stock and always intended to give your service for nothing in consideration of what the stock would be worth? A. Oh, no.

Q. You always expected to have remuneration? A. Yes, from the shareholders.

Q. Even before Mr. Travers had suggested it? A. Yes.

Q. But you had not his exalted ideas of the amount? A. It was suggested to us several times that this bank would likely do for its provisional directors what other banks were said to do, that a certain amount of honorarium would be given to them for their trouble.

Q. Dr. Ferguson seemed to indicate that Travers' ideas were a good deal bigger than his? A. So they were, and we reduced on that.

Q. You held him down? A. Yes.

Q. Do you mean to state you really told Travers you would not take the amount he offered? A. We told him in plain terms, I remember perfectly well, I was one of those who said to him that we did not think the bank could stand $30,000; that the expenses would be too high, and he said they would not be out of place at that figure, and he asked that instead of that they pay $20,000.

Q. This was at the time that he was buying you people out and you were transferring things to him; when you were handing it over to him? A. I don't think we handed anything over to him.

Q. You gave him complete control? A. That was merely a matter of management.

Q. It makes Travers general manager, gives him the right to sell all the stock and gives him a pension; you knew you were handing that all over to him? A. No, I do not think that was handing him over anything beyond the fact he had that position.

Q. What did you retain? A. We retained the right of doing the executive actions that we only could do.

Q. Doing the work? A. Doing the provisional directors' work.

Q. You just retained the privilege of doing the work, and he had all the profit? A. No, he did the work in the field; we did the work that was required by alloting stock and doing the work that legally could be done by the provisional directors, but he agreed and required that all the field work, the getting of stock and also the selecting of permanent directors should be placed in his hands, the first four only being subject to our approval.

Q. He got the benefit of all you had taken up in the way of stock up to that time in cash; he was to have the benefit of that in organizing the bank? A. I do not understand that.

Q. If you had $100,000 subscribed and part paid up, he got the benefit of that and only had to fill up to $500,000? A. He could not touch any of that money for his organization.

Q. But he was, so to speak, that far ahead? A. Yes.

Q. Then he got any notes that were taken in the same way? A. I do not think so.

Q. Perhaps there were not any notes taken at that time, you might be right there; he got the right then to sell all the balance of the stock? A. No.

Q. The agreement says so? A. The agreement reserves to Smith and to Urquhart, Urquhart & McGregor certain blocks set forth.

Q. That is the first agreement? A. Yes.

Q. I am speaking of the July agreement; that is the time when he came to you and offered you this $20,000? A. Yes.

Q. Really you had nothing left when you made this deal with Travers—did you have anything you can think of left? A. If you mean the responsibility we should be very welcome, but we have still, and I think it is set forth in the agreement to do our part to help him, and at any rate to do the part that was necessary for him to do.

Q. "The directors agreed to allow Travers to sell all the capital stock of the said bank which is now unsold, the first $500,000 of the capital stock at par, and the balance thereof at such a premium as may be decided upon up to the time at which the duties of the said provisional board cease, and to allow him a commission of 10% thereon for expenses of selling same..... and the said directors bind themselves to allot all the stock on the application of the party of the third part (Travers) and to make all legal calls thereon, etc". Then the directors engaged him for five years at $5,000 a year increasing $1,000 a year, and a pension of $1,500; and the literature, and so on, is to be paid by the bank, and it is to confirm all acts done by Travers and all accounts incurred by him as general manager up to the date of this agreement. Smith give up his rights under the agreement of the 12th March and you get $20,000 and then, "The said Travers to have full control of the office of the said bank and all the affairs pertaining to the organization thereof immediately after the signing of this agreement, and it is further agreed that until the organization of the bank all cheques are to be countersigned by him". Don't you think it can be fairly said that that meant you handed the whole thing over to him? A. I do not think we at all thought that we renounced our responsibility as provisional directors. I think we understood by that, I am speaking for myself, but I think the others agree that I can speak for them, that we believed that was merely giving him full charge of the organizing of the bank.

Q. Giving him the business end of it and you keeping the responsibility? A. We kept what was necessary for us to do, which course was comparatively small providing the stock was sold.

Q. Did you realize that responsibility right up to the end and down to the time when you handed the notes to him and endorsed them? A. Yes.

Q. Did you understand thoroughly that money was borrowed on those notes to pay the deposit? A. No, I did not know personally of that at all.

Q. But you understood that that was to be done, that that was the purpose of handing the notes over? A. I did not understand it that way.

Q. Did not you read the resolution? A. Yes; the resolution reads differently in my mind now from what happened at the time; I understood it was merely discounting the notes for the makers.

Q. The resolution anyway says, you hand them over to him for the purpose of raising this fund to go into the Receiver-General's hands, you knew broadly speaking that was the idea? A. Yes.

Q. Was he doing that for the provisional directors? A. Yes, I suppose he was.

Q. You understood he was completing the organization for you? A. For instance, the Receiver-General will not take notes; we regarded those notes as money, we were so advised, and the Receiver-General will not take notes, and we must then change it to money by discounting them and putting the money to the credit of the shareholders; but as a matter of fact I knew nothing until a year ago as to the transactions when the thing came out in Court, I had no idea. I wish to say in connection with the agreement and if I have no right to say you need not take it, but it has not been explained, today; but it may not be material.

Q. Go on and tell us? A. The agreement of the 4th July arose from trouble between Mr. Smith and Mr. Travers; it was not one of the directors seeking at all, nor I believe of Travers.

MR. COMMISSIONER: The first or second agreement or both? A. The first; I am willing to explain that as much as I can. The agreement of the 12th March when Mr. Travers came in left the field in the hands of three parties, Travers himself, Smith and Urquhart, Urquhart & McGregor, each having large blocks of stock to sell, Urquhart, Urquhart & McGregor $100,000, Smith a great deal more, and Travers the remainder. Each of these had their agents in the field under the control of each of these three, and there was conflict in the field between their agents; Travers' men would go to a place like Georgetown and Milton only to find that Smith's men had canvassed the place, and the trip there was of no avail, it was too late; and Travers said, "I cannot sell the stock required if Smith is to come in with inefficient canvassers of the whole field". We said: "We have an agreement with Smith that is as valid as yours" and Smith refused to give it up. Urquhart, Urquhart & McGregor, when the difficulty was pointed out to them said, "Now, we have sold through our agents pretty much all we expect to do, and we will do no more, so that we will be out of the field". When we came together on the 4th July the date of this agreement, it was to compose—we had two things to do, to consider Urquhart, Urquhart & McGregor's letter regarding the taking of notes for stock instead of cash, and to compose, if possible the differences between Mr. Smith's and Mr. Travers' agents. This brought a feeling between Mr. Smith and Mr. Travers, Travers claiming that he, as manager, thought that Smith was subordinate to him, and ought to take instructions from him, and Smith told him he should not, he was independent of him. We had a great deal of difficulty in getting the two together. The result was we said to Smith, "You get out altogether, you are jeopardizing the success of organizing the bank". There was one time when we thought, Dr. Ferguson and myself, that we could not bring the bank through, and while we could out of our own means pay back to the shareholders the money expended we tried to do it, but we were overruled by our colleagues; that is the meaning of that minute where Dr. Ferguson moved and I seconded that we hand back the subscriptions to them. We felt anxious about the bank becoming a fact, and the expenditures which we thought we were perfectly legitimate in incurring, paying, should not become a debt on the shareholders. We then pressed Smith very much and said: "Out of whatever will come to us as our amount we will see that you will be paid for your sacrifice of your contract in Travers' favour"; that is the meaning of the first. Then after lunch hour Smith said, "I have no security, I have made a mistake". We tried to get him to leave it as it was, because it was very hard to deal with Travers when he decided a thing, very hard to get him to re-open it. When we went back we said: "Smith thinks he made a mistake, that he is not secured at all, that we may get nothing from the shareholders; if not, we fall to the ground also. Could not something be done to satisfy him?" "What does he want? Does he think the shareholders will throw you down for the service you have been giving or does he think I will"? Out of that conversation came the second agreement in which Travers, independent of the shareholders, personally undertakes to pay $20,000 and to pay it out of his commissions. We thought he was legally entitled to his commission, and that the money coming to

him as commission was his money, and he says, "I will reimburse myself for that from the shareholders when they meet." That was the whole story of the second agreement, and of the two agreements on the same day.

Q. That is not carried out by the documents; there are two agreements of the 4th July, one made before and the other after lunch, is it not? A. Yes.

Q. The second one was for division, was it, a division up of the claim? A. No, the second one was transferring—

Q. I see, the responsibility to him? A. Yes.

Q. Did he stipulate you should pay him $10,000 in commission before he had agreed to the second agreement? A. No, that is what came unexpectedly on us.

Q. The second agreement is the one that bears the receipt at the bottom? A. Yes.

Q. So that it evidently was not considered when the first agreement of the morning was considered? A. No, it was not.

Q. Is it part of this agreement that he would agree to assume that if you paid him the $10,000? A. No. That was an after thought of his own.

Q. I understood Dr. Ferguson to put it that way—

MR. COMMISSIONER: That is not quite the way he put it; if he got payment of $10,000 in cash on account of his commission, he would turn it over to them on account of the $20,000.

MR. HODGINS: Just give us your view? A. I think Travers was realizing at that time that he was meeting with difficulties he did not expect; he certainly brought to the provisional board a splendid list of substantial men, and we believed that those men were behind him, genuinely behind him, and we thought that that would guarantee his success.

Q. Your idea is there was first the agreement before lunch? A. Yes.

Q. And secondly there was the agreement after lunch by which Travers took the burden? A. Yes.

Q. And after that as an after thought he said give me $10,000 out of my commissions and I will give you $10,000—is that significant? A. Yes, but the motive is not there. Mr. Travers wanted that money paid to him that day anyway; it was due to him anyway, and more; he said there were thirteen or fourteen thousand dollars due to him that day, and he said he wished to pay out of that, and the money would have gone to him that day whether the money would have come to us or not.

Q. Did you make any investigation that day as to whether the $10,000 was due to him? A. Yes.

Q. What investigation did you make? A. We asked Mr. Smith who was the bookkeeper.

Q. Did you know at that time that Travers was taking notes for the stock? A. Yes.

Q. You had been advised only that day I think you said it was legal? A. That the advice was considered only that day; we had it a day or two before but not all of us.

Q. Then you knew that? A. Yes.

Q. You say you investigated through Smith, asked Smith about the subscriptions? A. Yes.

Q. Did you consider you were bound to pay him over $10,000 on those deferred subscriptions, those notes? A. We did not consider that as deferred subscriptions; we considered them as genuine subscriptions.

Q. But deferred, they had not been paid in cash? A. Yes, that is so.

Q. Did you know the terms of them, did you know how long they ran? A. No, I never saw any of the notes.

Q. Did you take up any position with regard to that? A. No.

Q. Travers on the one hand was offering to guarantee you practically this $20,000 if you made this agreement and got Smith into line? A. Yes.

Q. That is right? A. Yes.

Q. When he said "I will pay you this on account if you give me this $10,000", was that an after thought and after the agreement was signed? A. Yes, that was an after thought of Travers.

Q. The provisional directors paid him then on the spot, on the same day, without considering the question as to their liability? A. I do not understand that point.

Q. You did not go into the question as to whether you were bound to pay him on the amount secured by these notes? A. We understood all along that we were bound to pay him commission on all stock, because he had to pay his men in the field.

Q. You had up to that date a doubt in your mind as to whether they had a legal right to take notes? A. Yes.

Q. Then the legal difficulty was removed? A. Yes.

Q. Did you consider the point or were you advised in any way as to whether you were bound to pay him the whole commission on the whole subscription on the amounts deferred? A. No, we did not doubt.

Q. He said, "You pay that to me and I will hand it back to you"? A. Yes, that was done but not in that way.

Q. You may be quite right in putting it that way; it looks as if another interpretation might be put upon it; you put the interpretation on that it was a perfectly natural and reasonable arrangement? A. We had no doubt at the time that we had to pay the full commission to Travers and to any other agent for stock accepted by the provisional Board.

MR. COMMISSIONER: Whether it was paid either wholy in cash or not? A. Yes.

MR. HODGINS: Had you accepted those as subscriptions on that day—your minute shows that? A. Yes.

Q. You do say you had accepted subscriptions on which he would be bound to get $10,000 from the 12th March to the 4th July? A. I do not know that I understand.

Q. I want to know whether you knew that you were legally bound to pay the $10,000 that day—had you approved and accepted the subscriptions? A. I do not think we went into the matter in that way so minutely as that.

Q. What do you mean by saying you knew you had to pay him?

MR. COMMISSIONER: He knew, he said they owed him $14,000? A. We asked Mr. Smith, who kept Travers' account, how much we owed Travers on account of commissions up to date, and he said somewhere between $13,000 and $14,000; it was two or three thousand dollars more than the ten thousand dollars.

MR. HODGINS: I quite understand you taking his word for it; did you take anything else? A. No.

Q. Can you say whether you had approved of subscriptions up to that time taken by Travers? A. Of course the inference is if not we would not owe him that commission, but Mr. Smith kept the books.

Q. What had the course been with regard to Travers' subscriptions, those he brought in? A. That is before the 4th July?

Q. Yes? A. I am not familiar with that; after Travers came in I merely attended the formal meetings that were called and knew very little about the details of the work or the office.

Q. You want us to accept the statement that this money was properly due to Travers and I am only asking you to ascertain what steps you took to verify that; can you tell me between the 12th March, 1906, and 4th July, what the course of the Board was with regard to Travers' subscriptions? A. I cannot.

Q. The minutes will show that? A. Yes, the minutes will show.

Q. Had you seen these notes? A. No.

Q. Had you seen a list of the names? A. No.

Q. Did you know any of them were not good? A. No.

Q. Did you know anything about them? A. No.

MR. COMMISSIONER: As I understand you the early agreement was one by which you were to receive a certain sum when it was voted by the bank? A. I do not understand.

Q. The provisional directors were to receive the sum stated in the earlier agreement of the 4th of July on vote of the shareholders giving it to you? A. Yes.

Q. As I understand Smith, although he had at first assented, feared that the vote might not be favourable, and so he would lose his money? A. Yes.

Q. And it was in consequence of that that the arrangement was changed into one by which Travers took the risk of the shareholders confirming, and he agreed to pay you $20,000? A. Yes.

Q. You agreeing to pay out of it $5,000 to Smith? A. Yes.

Q. What did you understand was the course, or did you know anything about that with regard to crediting to Travers or Smith or anybody else who was selling stock his commission, when was that commission credited, or did you know anything about that? A. Not definitely perhaps to answer, but I believe the books will show. They ought to show that there was so much credit at the time of the subscription, and then so much at the time of allotment.

Q. What do you mean? A. That is to say that the agent could retain a portion instead of remitting it.

Q. Explain a little more fully what you meant by your statement as to your understanding with regard to the notes that were discounted; what was your understanding of that, that is the subscribers notes that were discounted; what did you understand was being done with those notes? A. I understand it this way—

Q. What did you understand at the time? A. That the notes were kept to the credit of the subscribers until the bank opened and after the bank opened that it would proceed to use those notes as part of its business, that is to collect them, the bank itself.

Q. You are not grasping what I mean to ask; You were asked about the discount of these notes in order to raise the balance required. A. That is at the time of the power of attorney?

Q. Yes, what was your understanding as to how this money was being raised? A. I understood that the notes were to be discounted, probably in a bank or wherever they could be properly discounted, on behalf of the subscriber, who gave his note instead of cash, and we were utilizing his note instead of cash for him.

Q. And the proceeds? A. The proceeds would go to the Traders Bank to the credit of the Farmers Bank to be ultimately sent to Ottawa with the deposit.

Q. To whose credit would go the proceeds of the discount in the books of the provisional directors? A. To the bank's credit, the same as if the notes were cash; the cash was deposited in the bank to the Traders Bank.

Q. You are not understanding my question; a man owed $100 less 10% he had paid; he had given his note for the balance, who would get the benefit in the books of the bank of the monies raised by the discount of his note? A. I do not understand.

Q. You said the notes were discounted for behoof, as you Scotchmen would say, for the makers? A. Yes.

Q. How was the money to be treated as you understood it? A. The money would be deposited on the books of the Farmers Bank; I never thought of that before.

Q. You had not considered that? A. No, but I suppose it would have to take the place of the note.

Q. You do not know how the accounts were kept between subscribers and the bank or the provisional directors? A. No.

MR. HODGINS: Did you know anything about what was to be done with the notes after the money had been raised on them and when they came back? A. No, I did not.

Q. You do not know what was actually done with them? A. No. Mr. Travers, I may say, in his Police Court evidence said that he thought that I was one of those who knew that, but as a matter of fact I had not spoken to him for six or seven weeks before; I did not know at all about them.

The Commission adjourned at 4.30 p.m. to 11 a.m. to-morrow.

The Commission resumed its sittings at 11 a.m., March 20th, 1912, at Osgoode Hall.

ALEXANDER FRASER, recalled.

MR. HODGINS: I just want to ask you a question which was suggested to me by going over the provisional ledger again; I asked you about the amount of directors' fees, and you said the $11,750 included the $10,000? A. I do not know about that.

MR. COMMISSIONER: It was Dr. Ferguson said that.

MR. HODGINS: I thought it was Mr. Fraser that I asked about that? A. No.

Q. Are you aware, we discussed yesterday that $10,000 payment and the fact that it was taken out of commissions? A. Yes.

Q. Did you know at all that was charged in as part of the directors' fees? A. Only what came out in the Police Court investigation.

Q. You do not know personally then about that? A. No.

JAMES G. FITZGIBBON, recalled by—

MR. HODGINS: You were employed in the Farmers Bank? A. Yes, sir.

Q. From the beginning, pretty well? A. From the 19th November, 1906.

Q. You joined in what capacity? A. I was chief accountant.

Q. Would that be next to the general manager? A. Practically, at that time, yes.

Q. You had been a banker of experience before? A. Yes.

Q. For how many years? A. I was about 20 years in actual chartered banking, and some years in private banking.

Q. You filled positions of importance and knew thoroughly the working of a bank? A. Yes, the details.

Q. And the entries that would be made and how bank books are kept? A. Yes.

Q. And what they mean? A. Yes.

Q. You took up your duties about the 19th November? A. Yes.

Q. What did they consist of, speaking generally? A. The first work I undertook was making up the list of subscriptions in order to prepare for the organization meeting on the 26th November.

Q. When was the organization meeting? A. I think it was the 26th November.

Q. Did you make up that list in writing or typewriting or how? A. It was typewritten.

Q. Tell me if you recognize that list as the original list? A. That is a carbon copy of the original list that was filed at Ottawa, so far as I can judge from the fact that the totals are carried forward afterward on the machine itself.

List of subscriptions filed at Ottawa, marked as EXHIBIT 17.

Q. That you recognize (Exhibit 17)? A. That was a carbon copy of the original list.

Q. Do you know anything about that figuring attached to it there on that little green leaf? A. No, sir; they are not my figures.

Q. You do not know anything about that? A. No.

Q. You know this was the document used in the County Judge's Criminal Court and in the Police Court? A. Yes.

Q. You were giving evidence? A. Yes.

Q. You know this was the document used? A. I do not think that was submitted to me at that time.

Q. Tell me about the preparation of this list, how you came to prepare it or where you got this information? A. From the stock subscription book, where the subscriptions were entered as they came in.

Q. Can you tell me what that contained? A. It contained the application for stock in the order in which they came in, apparently. They were all taken in before I joined the service.

Q. Would you look at that and tell me if that is it? A. That is the book.

Stock subscription book filed as EXHIBIT 18.

Q. Look at that book, Exhibit 18, and tell me if that is the book from which you made up the list? A. Yes, sir.

Q. Are these entries in that—I notice cancellations there; were those there at the time or have they been put in since? A. Some of them were in at the time.

Q. That would give you information as to the subscriber, his residence and address, number of shares. A. Yes, and the amount of the shares.

Q. This list contains that information and also contains the amount paid; what book did you go to for that? A. That was taken from an alphabetical arrangement of the subscriptions in which the payments were entered from time to time as they were made.

Q. A book of the bank? A. Yes.

Q. Where would that be? A. It was in the hands of the liquidator. Here it is, this large book.

Large stock subscription book, alphabetically arranged, filed as EXHIBIT 19.

Q. This was an alphabetical list? A. Yes.

Q. Under whose instructions did you prepare the list? A. The general manager's, Mr. Travers.

Q. However, you had access to those two books? A. Yes.

Q. Did you take the items in that list from that book? A. The most of them, yes.

Q. What items did not come from that book? A. When the notes that were referred to yesterday were discounted and the cash received from them the proceeds were spread on some of the stock subscriptions for which the notes were held.

Q. That is, when you were making up the list? A. Yes.

Q. When were the notes discounted? A. I could not say; it was before my joining the service.

Q. Before the 19th November? A. Yes, I presume so.

Q. Then were the notes in the book, Exhibit 19, the stock subscription book, showing payments? A. No, sir; not to my knowledge.

Q. Where did you get that information? A. I had a list of the notes that had been hypothecated.

Q. From whom did you get that? A. From Mr. Travers.

Q. How did you go about, then, making the allocation of payments with regard to those notes? A. So far as I remember, the then president of the bank and Mr. Travers and myself went over them, and they knew who the farmers were who had given the notes, and they instructed me as to how to make the entries.

Q. Did they put that on any list for you? A. No, I jotted it down as I went along how much to put on each note.

Q. They had a list of the notes, you say? A. Yes.

Q. Did you see that? A. Yes.

Q. Had that before you? A. Yes.

Q. The notes, you say the list of which you had, did they go over that? A. Yes, I think they did.

Q. Who named the figure for each one to put down? A. That is more than I can say at this time.

Q. Who was the president you alluded to? A. Dr. Beattie Nesbitt.

Q. Then Beattie Nesbitt, Travers and yourself went over the list and made up the list of payment? A. Yes, sir.

Q. You are familiar with Exhibit 16, are you not? A. Yes, sir.

Q. You are quite aware that in that there are payments credited to people as being paid which have neither paid nor given notes? A. Yes.

Q. What you have told us about going over the lists and putting down what was stated or agreed upon as to those who had given notes, of course, would not apply to the other payments that had been put down? A. No.

Q. How were those figures arrived at? A. I was instructed to place so much on those subscriptions.

Q. Did you realize what you were doing? A. I do not say that I did thoroughly at that time.

Q. I do not understand you? A. I do not think I realized it at the time; I do now, of course.

Q. Did you know what the purpose of the list was? A. Yes.

Q. And what was it you did not realize? A. I did not—Mr. Travers had said that he could pay up the stock list from monies that he had received, and he assumed all responsibility in the matter.

Q. And you had just joined the bank? A. Yes, I had just joined.

Q. One illustration will do I think just as well as a dozen; I will call Mr. W. J. Lindsay in a little while; do you remember a subscription of his? A. Yes.

Q. For a large amount? A. Yes.

Q. How much was it? A. 500 shares.

Q. There was no note in the case? A. No.

Q. How much was put down and paid by him, do you remember? A. I think about $3,800, if I remember rightly.

Q. At all events, you put an amount opposite that for which there was no note? A. Yes.

Q. And there had been no payments? A. No.

Q. When was his subscription for that amount actually made? A. I could not say.

Q. When did you see his subscription? A. Shortly after I went; I could not say exactly what day.

Q. Did you see it in either of the books that have been put in as Exhibits?

MR. COMMISSIONER: That is not as this document shows it is, $500 paid.

MR. HODGINS: I want to look up here and see what explanation he has.

MR. COMMISSIONER: You see his name is there, $500? A. I think you will find that was for fifty shares, $5,000; I think you will find the other near the end of this list. (Exhibit 17). Here it is: 500 shares; there is $5,000 marked as being paid.

MR. HODGINS: What does that letter "W" in pencil opposite it mean? A. I could not say.

Q. Was that on it when you finished the list? A. No, sir.

Q. You put down this $500 in the way you have mentioned? A. Yes.

Q. You said about $3,800 was credited? A. I did not remember just exactly the amount.

Q. Looking at the list? A. I would say five thousand.

MR. COMMISSIONER: $5,500 in the two places? A. Yes, in the two subscriptions that is on 550 shares all told.

MR. HODGINS: I have a list of those that were treated in that manner. Perhaps you can say, looking over, whether this would show you the numbers that were treated in that; I suppose you could verify that by carefully going over these books, but you may remember some of them, and if so I will put in the list and prove it later by Mr. Clarkson? A. Yes, I should say that that was a fairly correct list, so far as I can say. There are one or two names there that I do not recognize, but I am quite prepared to take Mr. Clarkson's figures because we have gone—

Q. Because you have gone over them with him? A. I know he has gone into it very closely.

MR. COMMISSIONER: Do not let us trouble with that.

MR. HODGINS: May I put in a copy of this list, subject to Mr. Clarkson's evidence.

MR. COMMISSIONER: You had better wait for Mr. Clarkson's evidence.

MR. HODGINS: Well, the total of those amounts to seventy-five thousand nine hundred and ninety-five dollars? A. Yes.

Q. That would be about correct? A. I think so.

Q. Taking the larger ones, who was T. Cox, did you know him at all? A. He was a farmer out in Halton County; we had a note for the full amount of that.

Q. W. B. Nesbitt, would be Dr. Beattie Nesbitt? A. Yes.

Q. G. Denoon was one of the directors, was he not; became a director afterwards? A. No, sir; he was a Halton County farmer; he was one of Mr. Laidlaw's clients in the action, if I remember rightly.

Q. That was the way in which the list was completed? A. Yes, sir.

Q. Can you say at all just about when you completed it in that way? A. It was completed in time for the organization meeting on the 26th of November.

Q. You joined the bank on the 19th, and the organization meeting was on the 26th, and it was prepared between those two dates? A. Yes, sir.

Q. Who knew, outside yourself and Mr. Travers and Dr. Beattie Nesbitt, the way in which that list was being prepared in that way? A. I do not know of anybody except the bank's solicitor, Mr. Hunter; I think he was there at different times while it was done.

Q. Am I right in saying that the list consists, as far as the payments are concerned, of three classes: one correctly taken from the bank books where payments were made? A. Yes, sir.

Q. Second, where there were notes made, certain amounts credited to these shareholders who had given notes, who had not paid money? A. Yes.

Q. And, thirdly, this seventy-five thousand dollars-odd spread over those who had not paid anything? A. That seventy-five thousand dollars included a very large number of those that we had actually notes for.

Q. How many, outside of that $75,000, would have credits here for notes—

MR. COMMISSIONER: Included in it? A. Included in the $75,000 are those who had given notes in full or in part.

MR. HODGINS: All those who had given notes included? A. Not all, but all that were considered good: there were some notes that were not used at all and they were collected after the bank's organization.

Q. Taking this list, does that $75,000 include all those payments that were incorrect, either because no payments had been made or because they had given notes instead of paying? A. Yes.

Q. Then outside of the $75,000, was the list correct? A. Yes.

Q. Quite correct? A. I think so.

Q. We will have to verify that; I just want to get your view of it; I must say I understood it differently? A. Of course, some of the money that was borrowed to pay up the capital was spread on stock upon which no payments had been made.

Q. There was $100,000 borrowed, you know? A. Yes.

Q. And this only accounts for $75,000? A. Yes.

Q. What about the other $25,000? A. I do not know; I could not say anything about that.

Q. Was this list certified to by you? A. No, sir.

Q. Who did you give it to? To Mr. Travers.

Q. You were responsible for the figures in it and the additions, I suppose? A. Yes.

Q. And it corresponds with the list put in to the Government? A. So far as I know.

Q. That, you knew, was the purpose of getting it up? A. Yes.

Q. You did not go to Ottawa? A. No, sir.

Q. Who did? A. Mr. Travers, so far as I know, and I do not know positively whether Mr. Hunter went with him or not.

Q. Do you know when they went down? A. I think Mr. Travers went down on the night of the organization meeting, on the 26th or 27th November; I could not say positively as to the date; I think they went down immediately after the organization meeting.

Q. The organization meeting was on the 26th; the declaration is sworn in Toronto on the 27th, so that they were evidently here on the 27th; probably they went down on the night of the 27th, shortly after the meeting? A. Yes.

Q. Did you have anything to do with the declaration which was put in? A. No, sir.

Q. Did you ever see it? A. No, sir.

Q. Who drew it? A. I could not say.

Q. It was not drawn in the bank there? A. Not to my knowledge.

Q. Do you know what instructions were given about it and who got them? A. No, sir.

Q. At all events, you were not asked to take any part in it? A. No, sir.

Q. Had you any interview with Mr. Hunter, as solicitor for the bank, in connection with the drawing of the application? A. No.

Q. Am I right in assuming that you made any objection? A. I questioned the matter once and was told that it was perfectly justifiable to turn the notes into cash and apply them on the stock.

Q. Who did you make the objection to? A. To Mr. Travers.

Q. And was it he who told you that? A. Both he and Mr. Hunter, I think, said that if they got the cash for the notes they could apply them on the stock.

Q. I would like to know about that; you have been examined several times already, and you probably know what you have stated; what was your objection and who satisfied it, if it was satisfied? A. It was between Mr. Hunter and Mr. Travers, they satisfied me. I made inquiries outside as to the feasibility of taking notes for stock and discounting and applying them on the stock and found that it had been done in previous cases.

Q. You did not say that on your previous examinations? A. No, the questions were not put to me in such a way as to draw it out.

Q. Inside the bank was Travers the only one who satisfied your objection? A. No, I think Mr. Hunter assisted in satisfying me.

Q. Was he called in because of your objection? A. Not that I would swear to.

Q. How did it come up before him? A. That is more than I can say.

Q. At all events you said before in the examination in the Watson case that you were present when this list was got up and did the clerical work, and that "Dr. Beattie Nesbitt part of the time and our solicitor upon whose advice we were advised".

Q. "Mr. Hunter? A. Yes, he advised us Mr. Travers had the right or the privilege to pay up any subscriptions he wished". Was that advice before the list was completed in the way you speak of? A. Yes.

Q. When did you see Mr. Hunter again after he went away as we understand to Ottawa? A. I do not remember the exact date; it would be the date of the letter I wrote to Mr. Travers, and that was the 29th November or the 30th November, while Mr. Travers was in Ottawa.

Q. The letter is dated the 29th November? A. Yes.

Q. And it says Mr. Hunter had arrived or called this morning? A. Called this morning.

Q. What was the purpose of his calling so far as he expressed himself? A. He wanted to look over the applications for stock as he said the Finance Minister might call for them and he would like to look at them to see that they were all in order.

Q. What was it that you showed him, the original subscriptions? A. Yes, the original subscriptions we had them all on the file alphabetically arranged.

Q. Those subscriptions did not accord, did they, in terms with the promissory notes that were given; was not the stock subscription and agreement to pay in all cases $5 a share and $15 per share upon allotment and eight equal monthly payments? A. Yes, sir.

Q. And did the notes differ from that? A. They did in this fact that they were for the full amount of the subscription. However, if I remember rightly they were taken along before I joined the service, some of them were for a year.

MR. COMMISSIONER: That does not accord with this form in this stock subscription book. Here it is $10 on signing and $20 on allotment, and seven payments of $10.

MR. HODGINS: They appear to have used different ones in 1905 from what they did in 1906? A. Yes, that was before Mr. Travers took hold of it; the previous organizers had their own forms.

Q. At all events I want to know whether you can say whether the notes correspond with the forms in use either in the early or in the later stages which I understand were drawn for a payment down and specified monthly payments? A. They certainly were not in accordance with the terms of the application.

Q. Then when Mr. Hunter inspected these applications he saw only the applications, did not he? A. That is all I know of.

Q. Had he knowledge, do you know, or did you discuss the question of the notes being given with Mr. Hunter in the preparation of the list? A. I did not discuss the matter with him in the way of discussion. I knew he knew the notes existed.

Q. Did he know they were discounted? A. I think so.

Q. They had been discounted at that time? A. I think so, they were discounted prior to my joining, if I am rightly informed.

Q. He expressed himself apparently as you stated in your letter? A. Yes.

Q. After going over those subscriptions perhaps you can remember what he said? A. No, I cannot remember what he said, but that he was satisfied they were in first class order, if they were required.

Q. And then he suggest to you the sending down of the cheques we spoke of yesterday? A. He told me Mr. Travers asked him to tell me to send down some blank cheques out of the cheque book.

Q. That is what you did? A. Yes.

Q. Did he mention how many cheques? A. Three, if I remember rightly.

Q. Is this right, just referring to the interview with Mr. Hunter: "I showed him the file of the subscriptions arranged alphabetically and he looked over that and said they were all in order, they could be checked over with the list that was sent down of the subscriptions". Of course that has nothing to do with the payments? A. No."

Q. The file you speak of is not the book we put in, but the actual subscriptions? A. Yes.

Q. There are some, probably a dozen or more subscriptions, which are dated on the 22nd October, which I would like to know about, do you remember the subscriptions I refer to? A. I know there are some there, I could not say when they were taken or when they were dated except one for myself for one share that I know was dated back; I could not say as to the others.

Q. Did you take that in any formal way, or did you just put it down in the stock subscriptions? A. No, I made out an application the same as the others.

Q. And when was it you made out the application? A. A day or two after I went into the service.

Q. That would be when? A. The 21st of November.

Q. That was for one share? A. Yes.

Q. Did you enter that in the book? A. I did not enter it myself, it was entered by the stock clerk.

Q. In which of these books would it be? A. It would be entered in that little black book and then transcribed into this afterwards.

Q. What is the little black book? A. The stock subscription book there. (Exhibit 18).

Q. Then transferred to the other one? A. Yes.

Q. How many subscriptions were made at the same time, what was the purpose of your subscribing at that date? A. Mr. Travers said he wanted to justify me coming into the bank. He said he had lots of applications and he said every officer of the bank should be a shareholder, and I took one share.

Q. Why was it dated back? A. At his request.

Q. What was his explanation on that? A. He said they required to be taken 30 days prior to the asking for the certificate.

Q. Prior to the asking for the certificate or prior to the meeting? A. Prior to going down for the certificate.

Q. What date was put on it then? A. If I remember rightly, it was the 22nd October or the 25th October.

Q. Who had charge of the entries in those two books? A. Mr. Shaver.

Q. Had you at all? A. No.

Q. In going over that list with Mr. Travers and Dr. Beattie Nesbitt, was it after you had subscribed for this one share or before? A. Afterwards.

Q. Did you see the books at that time containing the subscriptions and did you notice whether yours was in there or not? A. Yes.

Q. Yours was in? A. Yes.

Q. Under date October 22nd? A. Yes.

Q. Can you tell me about the other subscriptions which all appear to have been taken under that date; there is the one we have spoken of Lindsay's; do you know the date at which that was actually subscribed?

Q. There are three people named McCorquodale? A. Yes.

Q. Do you know the date of their subscriptions? A. I could not swear positively.

Q. Could you tell by looking at the book at all in the order in which they come as to whether they were similarly ante-dated? A. I could not tell by the book. Those last on the list were all ante-dated, but when they were actually taken I could not say.

Q. The meeting was on the 26th November? A. Yes.

Q. You took yours on the 21st November and it was dated back to the 22nd October? A. Yes.

Q. The other names are Mr. Gallagher, Mr. Luxton, Mr. Bradley, Dr. Beattie Nesbitt, A. W. Thomas, A. S. Lown, and J. Gilchrist.

MR. COMMISSIONER: Gallagher is not here on the 22nd October; it is the 22nd November (in large stock subscription book, exhibit 19). Here are these you speak of Lindsay; there is one the 15th November. There is Mr. Lown October 20th, and then the three McCorquodales are over here, only one share apiece.

MR. HODGINS: October 22nd.

Q. Were you present at the Board meeting when those were alotted? A. No, sir, I never attended a Board meeting the whole time I was in the bank.

Q. I think Dr. Beattie Nesbitt is one of those.

MR. COMMISSIONER: Yes, October 22nd.

MR. HODGINS: Would this smaller book, Exhibit 18, be the book of original entry with regard to those? A. Yes.

Q. And carried from the subscriptions? A. Yes.

MR. COMMISSIONER: There is McCorquodale, and there is Gilchrist, October 22nd. (In Exhibit 18). W. J. Lindsay 500 shares, the 22nd October.

MR. HODGINS: (To Mr. F. A. Clarkson). That is one of those subscriptions that would be on the referee's file, would it?

MR. F. A. CLARKSON: We never found the Lindsay subscription.

MR. COMMISSIONER: That means application.

MR. F. A. CLARKSON: Yes. There never was any subscription for Beattie Nesbitt.

MR. FITZGIBBON: There was one for 100 shares.

MR. COMMISSIONER: This (Exhibit 18) shows the allotments were made on the 24th November? A. Yes.

MR. HODGINS: Were what you call the spread payments, which is a very euphemistic way of putting it, were they applied to those we have just gone over, those subscriptions of the 22nd October? A. On two or three of them.

Q. What about yours? A. There was nothing spread on mine.

Q. There were a number of shareholders amounting to twenty one thousand odd dollars that had begun a suit against the bank through Mr. Laidlaw, you know the ones I mean? A. Yes.

Q. And are their names on that list we have put in sent to Ottawa? A. Yes.

Q. The names I have gone over on the 22nd October, are on that? A. Yes.

Q. Did you know that those parties had been settled with and the notes had been returned to them and their subscription practically cancelled? A. The list was made out prior to the settlement with them so far as I remember.

Q. I do not think that is the case; have you any independent recollection of it? A. No.

Q. Look at those two cheques, they contain a date that is important and that may tell you something about it? A. No, sir.

Q. That is prior to your time? A. Yes.

Q. Did you know when you came into the bank that they had been settled with and litigation had been done away with? A. I understood it had.

Q. Did you have a list of the names? A. Yes.

Q. Why were they put down upon the list then that went to Ottawa? A. Mr. Travers instructed me to leave them there in the meantime and we would strike them off after the bank was organized.

Q. Was that done? A. Yes, they were eliminated from the list that went to the Government on the 31st December, the regular annual list.

Q. At the end of the year? A. Yes.

Q. They were on the list sent down to Ottawa? A. Yes.

Q. Whom did you discuss that with other than Travers? A. No one that I can recall.

Q. Had you any talk with Mr. Lindsay about it? A. Not that I remember.

Q. I suppose you are quite aware that if those had been cancelled and done away with they should not appear upon the list? A. Yes.

Q. But Mr. Travers was the one who took the responsibility? A. Yes.

Q. Who dictated the letters in connection with the stock, was it Mr. Travers or yourself? A. Which letters?

Q. The letters to those shareholders we have just been speaking of? A. Certainly not myself.

MR. COMMISSIONER: I see a subscription for 4,492 shares by the Continental Securities Company.

MR. HODGINS: That will have to be gone into later. These subscriptions we have been going into were cancelled afterwards and some of the stock sold to the Continental Securities Company.

MR. COMMISSIONER: This is nearly half a million they subscribed for.

MR. HODGINS: Yes, that, the Lindsay subscription and some others will have to be taken up.

MR. COMMISSIONER: I see on the 18th March 440 of Lindsay's shares were cancelled and the Luxton shares also; what is that item (referring to Exhibit 18)?

MR. HODGINS: "J. G. Fitzgibbon in trust twenty-five shares". It appears to have been cancelled in 1909; what about those twenty-five shares? A. A man named Sunstrom in Ottawa subscribed for 25 shares and withdrew his application after allotment, and he was subsequently sued I believe, for payment, and the bank was beaten, and he gave a transfer of the stock, and it was put in to my name in trust. There were no payments made on it at all, it was put in my name in trust until the Board cancelled it.

MR. COMMISSIONER: Was that after the organization of the bank? A. Yes.

MR. HODGINS: You say that in the statement to the Government on the 31st December what we may call as the Laidlaw clients subscriptions were omitted? A. Yes.

Q. Had any change taken place, anything occurred in the interim about them? A. No.

MR. COMMISSIONER: How many shares?

MR. HODGINS: 219 shares. A. I don't remember the exact amount but I thought it was more than that.

Q. That is the amount we have been instructed was the actual amount; we will have them checked up? A. I think I am including in my memory one or two conditional subscriptions that were struck off. The one of Lieutenant-Governor Forget, Regina, who subscribed conditionally upon being a director of the Bank, and afterwards withdrew the subscription.

MR. COMMISSIONER: Give me one of the names of the 219 shares? A. Gastle.

MR. COMMISSIONER: He apparently paid $100 on ten shares? A. Yes.

MR. HODGINS: Speaking of the Lieutenant-Governor Forget's subscription you speak of that as conditional? A. Yes.

Q. Was that known and spoken of at the time you were preparing the list? A. Yes, it was endorsed on the back of the application.

Q. It was? A. Yes.

Q. Conditional on what? A. On his being appointed a director of the bank.

Q. And that notwithstanding that went in as a regular subscription? A. Yes, there were no payments shown, it was simply a subscription.

Q. Did R. R. McLennan of Cornwall go in? A. Yes.

Q. $5,000; $3,000 paid; had he in fact paid anything? A. I think so.

Q. Had he paid anything more than $500 at that time? A. I could not swear positively.

Q. Did you look at that time or could you tell from looking at the books what was the correct amount?

MR. COMMISSIONER: This book shows he paid $500 of subscription March 19th, $1,000 on allotment, April 30th, $500 on the 1st September, and it looks as if he had paid in full ultimately (referring to stock subscription book 19)? A. I am quite satisfied that Colonel McLennan had paid his full stock not before the organization but afterwards; it was all paid in cash and there was no note for it.

MR. HODGINS: But at the date of this list had he paid $3,000? A. Yes, sir.

Q. You think he had? A. I am almost sure of it.

MR. COMMISSIONER: What is the date of the list? A. 26th November.

Q. According to this book, he had (Exhibit 19).

MR. HODGINS: Were there any other conditional subscriptions included in that? A. Not that I can recall.

Q. Were there any other subscriptions which had been repudiated previous to that time included in the list? A. Not that I know of.

Q. The reason I asked you about Colonel McLennan is that long before that list he had raised the question as to misrepresentation and had determined to fight, according to the correspondence; but I think as a matter of fact he died and his executors paid it. A. No, the stock was all paid before he died, and the executors sold it.

Q. Were there any others in the condition of not being willing to take their stock at the time, and you having knowledge of that fact? A. No.

Q. Those notes, there was some question as to their form, and you gave some evidence as to their being—you were asked before the referee, "Did you see any of the notes?" and you said you did, after they came back from the Trusts & Guarantee Company? A. Yes.

Q. You were asked how they were payable, how was that? A. As far as I remember, they were payable to the Farmers Bank of Canada or the provisional directors of the Farmers Bank, I could not say positively.

Q. Your answer was, "Payable to the Farmers Bank of Canada," and then the referee asked you again, "Did you see the notes? A. After they came back from the Trusts & Guarantee Company.

"Q. They were payable to the Farmers Bank of Canada?" A. Yes.

"Q. How were they endorsed? A. They were endorsed individually by all the provisional directors?"

A. Yes, that is my memory of it.

Q. They were payable to the Farmers Bank?

MR. COMMISSIONER: We had better have the notes themselves.

MR. HODGINS: There was one note put in; I think Mr. Clarkson has the balance, has he not?

MR. F. A. CLARKSON: There are only two notes we have; there may have been renewals.

MR. HODGINS: What became of those notes after they came back from the Trusts & Guarantee Company? A. They were sent out to the branches: most of them collected. They were renewed from time to time, the makers of the notes paying interest on the renewals; at each renewal paying something.

Q. Were they all in the same form, according to your recollection? A. Nearly all; I do not think there was any difference in them.

MR. HODGINS: Perhaps you will remember when in Ottawa Mr. Boville produced as part of the file one of those notes, and we were to have a copy of that. The copy is not here. A. I will put that in later on.

MR. COMMISSIONER: What form did this settlement with Mr. Laidlaw's clients take, the stock had been alloted to them, how was the stock dealt with? A. It was subsequently cancelled.

Q. What was done at the time, did they execute any transfer or power of attorney or anything?

MR. HODGINS: I have those papers; I was going to prove them by another witness.

MR. COMMISSIONER: Because I see shares were transferred to somebody else, according to this book.

MR. HODGINS: These papers I propose to prove. Probably Mr. Fitzgibbon can say as to what was done in the books? A. There were formal transfers entered on the books, but they were never posted from the transfers, if my memory serves me right.

Q. Never accepted by anybody?

MR. COMMISSIONER: They were transferred, according to these documents, to Lindsay? A. Yes.

MR. HODGINS: And whatever was put in the books was never accepted? A. No.

Q. And were never posted? A. Not if my memory serves me.

Q. And that was done? A. After the organization meeting.

Q. After what organization meeting? A. After the organization meeting of the bank on the 26th November; I think that was the date.

Q. Was it shortly after that; was it before the certificate was issued or afterwards? A. I could not say as to that.

Q. Would the books show it? A. The books should show the date.

Q. What book would that be in? A. The transfer book.

MR. COMMISSIONER: I had not looked at this, Exhibit 17, before. I see in a number of cases in this return of shareholders it appeared that nothing had been paid up on the shares? A. Yes.

Q. And you mentioned with regard to Mr. Forget, his subscription appeared no payment? A. That would be one of the early ones.

Q. The amount of the stock subscribed, according to this return, exceeded by $79,200 the amount requisite? A. Yes.

Q. And the payments showed $291,310 on the shares? A. Yes.

Q. That was $41,310 in excess of the required amount? A. Yes.

Q. I would like you to make a little clearer what you did with regard to making up the payments that were entered in that list; as I understand you, all the notes that had been taken, with the exception of some that were thought not good enough, were discounted somewhere? A. Yes.

Q. What was done with the proceeds; supposing Mr. Jones's note for $500 had been discounted, what was done with the proceeds of that note? A. Some of it would probably be spread on his own note, if not all of it, and some would be spread on somebody else's payments.

Q. What justification was there for taking Mr. Jones's money and applying it to the credit of Mr. Smith? A. None whatever that I can see now.

Q. That was done? A. Yes, sir.

Q. You said in some cases where nothing at all had been paid, money was applied? A. Yes.

Q. Where was that money gotten from? A. Part of the proceeds of the discount of notes.

Q. According to the figures Mr. Hodgins stated to you, the amount that was so applied was considerably in excess of the amount raised by the discounts; where did the difference come from? A. I do not catch that.

Q. What was the amount that was raised by discounts of the notes? A. All told, I believe $100,000; I could not be positive.

Q. Then I misunderstood you; it was the proceeds of the discounted notes that was either applied to the credit of the people whose notes had been discounted or partly to their credit and partly to the credit of persons who had paid nothing? A. Yes.

Q. Or who had not paid that money? A. Yes.

Q. They had nothing to do with the note? A. No.

MR. HODGINS: Will you just say whether these are the transfers, these first twelve in the book which you have put in? A. Yes, those are the ones, and they are marked on the 22nd December. I knew it was long after the settlement.

Q. The 22nd December, 1906, is the correct date? A. Yes, I should say so.

Q. And they are signed by W. J. Lindsay as attorney? A. Yes.

Q. And witnessed by you? A. Yes.

Q. You had written in an acceptance? A. Yes.

Q. There is no acceptance in any of those cases? A. No.

Q. And you say they were cancelled afterwards? A. Yes.

Q. They were never posted to begin with, into the book? A. Not as being transfers; they were marked off in the book as being done away with, got out of the way anyway.

Q. They stood, as I understand, just where they did in the books? A. On the 26th November, yes.

Q. Never were covered up as being transferred to anybody else? A. No.

Q. Were they cancelled? A. Yes, and ruled out of this book altogether.

Transfer book filed as EXHIBIT 20.

DR. JOHN FERGUSON, recalled.

MR. COMMISSIONER: Is there anything in the books of the bank to show how the $11,000 was made up?

MR. HODGINS: Yes.

MR. COMMISSIONER: What is the use of asking Dr. Ferguson's memory of it?

MR. HODGINS: I want to ask him whether he can tell me, from looking at this, whether his answer was correct.

Q. You said yesterday that in that eleven thousand-odd dollars of directors' fees that that $10,000 which was paid on July 4th was included in it? A. Well, I understood so, yes.

Q. You know what I am asking? A. Yes.

Q. Now, I find in the provisional directors ledger that the $10,000 included is credited on November 17th, and that that corresponds with a cheque for $10,000 paid to Lindsay and I wanted to ask you, had you ever seen this book or this entry when you made your answer, and did you know anything about it, because if not, I will have to go somewhere else? A. That would have no application to us; any entry made then was after this event and the payment of this sum would be wholly of a different nature and for some other purpose.

Q. I find there that the $11,760 which was the amount that I was questioning you about, and which you said included the $10,000 of July 4th, is made up of a ten thousand dollars not credited till November 17th? A. That was a reverse entry, I think you will find, charging it back to another account.

Q. I do not think so? A. After our time it was reversed.

MR. COMMISSIONER: That is not the original entry, is it?

MR. HODGINS: This is the original book.

MR. COMMISSIONER: It is a loose leaf system?

MR. HODGINS: Yes? A. I could have no knowledge or control how it could be entered at that late date.

Q. You do not know? A. I understood that came out at some one or other of these investigations, and that that is the reversal of another entry, charging it back to another account altogether.

Q. If you know that I am quite satisfied with your answer? A. That is my impression.

Q. If you do not know it I think I am not far out in saying you are mistaken; however I got what I wanted. Seeing this entry does not change your idea that the $10,000 you got was included in directors fees? A. I wish to make this perfectly clear, all we got altogether, divided amongst the six of us, was the ten thousand dollars in addition to the small amount paid when we occasionally attended meetings or that was paid for as meetings. The total of that would be somewhere about $11,000.

Q. I do not wish to go into that? A. I do not wish to go one word further than to say that this entry in November is a reversal of the July entry charging it back from the commission account to another account.

Q. Somebody has told you that? A. That came out in evidence, and was stated.

Q. Whose evidence? A. I do not remember now; it came out in the investigation at the Police Court.

Q. Did you verify that to see it was true? A. I had no chance to verify it.

Q. I am calling your attention to it? A. And I still state that the position I took yesterday is the correct one, and that is the reversal of the same sum to another account.

Q. That is you have heard? A. No, my own knowledge of the fact that we did not get another sum of money.

Q. I see the sum I mentioned included apparently another ten thousand dollars from the one you speak of—

MR. COMMISSIONER: Is not Dr Ferguson right? Here is $10,000 on the fourth of July?

MR. HODGINS: Yes.

MR. COMMISSIONER: This $10,000 is charged up as commission to Travers and Travers paid $10,000 out of his commission.

MR. HODGINS: There is no dispute as to that, but if you look at the commissions account, the amount I spoke to him about, $11,760 includes a different ten thousand dollars, that is all? A. It cannot, because we did not get it.

Q. There are lots of things in this book that you think cannot be, but we know they are.

MR. COMMISSIONER: Here is the cross entry on the 17th November; there was credited to the stock commissions the $10,000 and debited to directors fees, that is what Dr. Ferguson is trying to explain.

MR. HODGINS: Yes, no doubt, but there was a difference of several months? A. That refers back to the July sum.

Q. I understand that it is quite possible that that is so, but I do not want you to come here and say so if you do not know. I point out that there is that difference, if you can throw any light on it yourself, I have asked you to come here and do it? A. The light I can throw on it is that we had no transactions whatever in November, that no sums of money were then paid, that that is the same sum as the other, and was stated somewhere in the investigation that it was but re-entering a cross entry or a correcting entry of the original sum of $10,000.

Q. I understand your position quite, and I am not saying it is wrong, that there is only the one ten thousand dollars when it got into the account, but it is my duty to find out why the ten thousand dollars you speak of was not entered in the directors fees at the time. A. Because it was properly charged in the commission account in the first instance, and this was charged back to directors fees without our knowledge.

THOMAS URQUHART, Sworn, Examined by—

MR. HODGINS: You are apractising barrister in Toronto? A. Yes.

Q. And you have had some little to do with the early stages of the Farmers Bank? A. Yes.

Q. Fortunately got out of it before its later stages? A. Yes.

Q. You gave an opinion which was referred to yesterday; have you got a copy of that? A. Yes. (Produces copy of opinion dated June 26th, 1906, which was filed as EXHIBIT 21).

MR. COMMISSIONER: Was that you or your firm? A. It was given by my firm, it was signed by myself with the firm's name and my own name.

MR. HODGINS: In the bill of costs on the same day the charge is fee for special opinion in connection with this matter, and also on question of grant to provisional directors? A. That grant to provisional directors was a personal opinion I gave to them, to Mr. Travers, Mr. Lown and Mr. Smith, that I expressed to them personally.

Q. It did not form part of the written opinion? A. Not in the writing.

Q. It is not in the written opinion? A. No.

Q. Was there any written advice given? A. Not with that; I had better make an explanation. On the evening of the 23rd June, I think that was a Saturday evening, if the date is correct here, Mr. Travers had called me up in the afternoon at my house, and I was not at home, and when I got home there was a message there for me asking me to call him up on the telephone at the Queen's Hotel, I think it was, and he advised me over the phone that the provisional directors proposed to grant money to themselves to cover their expenses, and I advised him over the phone, that I thought that that would be a breach of trust, and on the following Monday morning I had an interview with Mr. Travers, Mr. Lown and Mr. Smith and I than advised them, not in writing, that they could not grant money to themselves, and then they asked for this special opinion in regard to the alloting of stock for which they had taken notes.

MR. COMMISSIONER: Who were the three, Travers, Lown and Smith? A. Yes, I did not advise any of the other parties, but just those three.

MR. HODGINS: What was Mr. Travers explanation which is down here as "Advising him the provisional directors discussed making cheque to themselves out of the money subscribed to cover their expenses in connection with organization of the bank"? A. I could not remember his explanation.

Q. The directors had been paying right along the expenses of advertising and various other things which ultimately amounted to some $44,000 shortly after this? A. My recollection is now he told me they were going to make a special cheque to themselves for expenses.

Q. Expenses in what sense, their own time and trouble? A. I think there was some, I cannot say what really the expenses were.

Q. At all events you certainly would not have advised that the provisional directors could not pay ordinary expenses? A. No, they could pay the ordinary expenses; this was something to cover their own personal expense.

Q. And you advised Travers, and then these three, on the following Monday, that that could not be done? A. That could not be done.

Q. That was on the 23rd June, 1906? A. Yes.

Q. Then on the 28th you have an entry, "Having been advised by Travers that he had made special agreement with provisional directors, two interviews with him regarding same and advising him as to legal effects"? A. He brought a form of agreement in to me to settle, which I went over with him; I remember that quite clearly. I told him it was a very onerous agreement that he was making with the bank and I advised him as to the effect of it; I do not know whether I made any changes in it.

MR. COMMISSIONER: Had not you better identify that agreement? A. I do not think that agreement that I saw on the 28th June went through.

MR. HODGINS: "Making alterations and settling agreement and advising as to legal effect of it". Perhaps you can tell whether this exhibit 12 (The first agreement of July 4th) was the one? A. I do not believe that is exactly identical with the agreement that I saw; it is partly the same.

Q. What was the onerous part of it that struck you? A. My recollection is that the agreement that I saw was more onerous than this one.

Q. Against whom? A. The final cost of organization would be greater than this.

Q. Does that state any final cost? A. No, but you could make up pretty nearly what it may be. There is $500,000 and there was a commission on that, and this provides for $20,000 in addition to the commission; that would be $70,000 at least I suppose; and my recollection is it was more than that, because I remember a statement that Mr. Travers made in reply to me, he said "We will cover all those organization expenses by a sale of the unissued stock at a premium of 25 through the agencies of the bank". I could not identify that as the agreement I saw, but it may be.

Q. They were advised by you at all events, Travers, Lown and Smith, that the provisional directors could not grant money to themselves? A. Yes, that is for their own services at that time.

Q. Did you tell them the shareholders would have to ratify that? A. I told them the permanent directors would have to ratify that.

Q. Did you tell them the shareholders would have to? A. I do not recollect that point, but I know I always had advised that the permanent directors would have to ratify all their agreements that had been made.

Q. Then there is a certain agreement there on the same day under which if I recollect right Travers himself assumes the risk of the rejection by the permanent directors and practically guarantees that this $20,000 would be paid; it is dated on the same day? A. I never saw that.

Q. That is evidently something subsequent to your advice to them? A. It must have been.

Some reason must have been interposed; however, your advice to them was purely verbal on the point? A. As to payment of directors.

Q. And he seemed to accept it and be satisfied with it? A. Yes.

Q. This opinion have you read it? A. Just recently.

Q. It does not seem to me to be what I understood it was from the witnesses, namely a question of whether they could or could not take notes in payment of stock subscriptions? A. I had not been asked that question; they had already taken notes and they came and asked me if the provisional directors should or could allot the stock subscriptions for which notes had been taken.

Q. Let me read you what seems to me to be the point that was in your mind: "We have considered the questions submitted by you to us regarding the power of the provisional directors of the Farmers Bank of Canada to accept stock subscriptions where the parties have given notes in payment of the stock in place of, or in addition to giving their subscriptions in the usual manner, the notes maturing at a time different from the payments in the subscriptions"? A. There is the letter under which I was asked—

Q. I just wish you would direct your mind for a moment to that? A. Very well.

Q. Was the question that the notes matured at a different date from the instalment plan provided for in the subscriptions themselves? A. That was one of the points.

Q. You say you considered that question; how do you deal with it there in that letter: what is your answer to it? A. That they could allot the stock to the subscribers, it being a matter which would come within the reasonable discretion

of the directors, and I went on to tell them that they were simply trustees of this money and of the promissory notes.

Q. Did you deal with the question of the variance of the note with the terms of the stock subscription? A. I did not deal specially with that at all, but I advised them that they could allot the stock.

Q. On the terms of the subscriptions, did you say, or on the terms of the note? A. I cannot say now at this date; the opinion will have to speak for itself as to that. We gave the opinion that they had the power to accept those subscriptions and I think so still, they have the power to accept subscriptions but they cannot use the notes.

Q. However, they had clearly in mind from your letter and you had clearly in mind, that they matured at different dates? A. That was one of the points.

Q. Did you subsequently advise them again at any time upon that point? A. Mr. Travers came to me and asked me once, some considerable time later than that, as to whether those notes could be discounted, and I advised them they could not be discounted.

Q. How long after was that? A. I think it was in September, but I am not sure as to that, but he was talking of the deposit at that time.

Q. "Re deposit, interview with Mr. Travers and advising him in connection therewith"? A. I advised him at one time whether that was the time or not; that was a personal opinion.

Q. That must have given him such a shock that I see you only acted for him for a couple of days after that and the bill terminated? A. My work practically terminated when the charter was granted.

Q. We heard you had given Travers a letter to Mr. Calvert in Ottawa when he went down about getting the certificate? A. I cannot remember whether I did or not; if he had asked me for one I would have given it to him.

Q. I see according to this bill you had written to Mr. Calvert, when the extension Bill was up? A. He introduced the Bill for us. I wrote him asking him to do so and he wrote me saying there was some opposition to the Bill and I replied to that letter and told him I would go down before the committtee, and I appeared before the committee personally.

Q. There was no later advice given by you on the question of the certificate? A. September 25th was the letter advising. There was one little matter about some one who had a claim against them that I wrote a letter or two afterwards but there was no advising. Some Montreal man had a claim against the bank.

MR. COMMISSIONER: You say you advised these three gentlemen it would be a breach of trust? A. I advised Mr. Travers it would be a breach of trust; I don't think I used those words when I was speaking to Mr. Lown.

Q. I gathered from what you afterwards said unless the shareholders sanctioned the payment—? A. I told them all along all their acts would have to be sanctioned by the permanent board.

Q. Did you advise them that they could be paid by the shareholders? A. If the permanent directors were willing, that was my understanding, if the permanent directors were willing they should be paid this money, but I do not know that the permanent directors came up just at the time, but I advised them at other times.

Q. Your advice was not that the bank when organized could not recognize and pay these claims? A. Oh, no.

Q. Your advise was contained in that letter but Mr. Hodgins seems to draw some distinctions as to different points in it; was not your opinion to them intended to convey to them the idea that having taken the notes from the shareholders they were justified in allotting the stock, accepting that as payment? A. They were justified in alloting the stock; I do not think the question of accepting it as payment came into question.

Q. How could they allot the stock? A. As I understand the Banking Act you have to give notice of an allotment before you can collect the installments and then go on and collect.

Q. Did not your opinion involve the proposition that the provisional directors might take notes for the stock? A. My opinion involved this, that notes having been given as well as subscriptions for stock they could go on and allot the stock and then proceed to collect the notes.

Q. Did not that involve the proposition that it was lawful to take notes? A. Perhaps it did, yes; I see no objection to it still.

Q. The other point you thought they had no right to discount notes? A. No, because I did not think there was anybody could endorse them as I understand they were payable to the Farmers Bank of Canada, and the Farmers Bank of Canada was not organized.

Q. Was that the only difficulty in the way of their discounting them? A. There might have been another difficulty; I think that was the difficulty in my mind that the provisional directors could not discount them.

MR. HODGINS: Upon what terms did you come to the conclusion that they could allot, on the terms of the subscriptions or the terms of the promissory notes? A. I should think the promissory note would have to govern, but I say in my opinion I did not consider that question very much.

Q. I think you do not just deal with it? A. Perhaps not. I say "If these subscriptions are not paid, the allotment could and no doubt under the by-laws would be cancelled by the directors, to be elected, and the stock could then be resold."

Q. If what was not paid? A. If the subscriptions were not paid. Of course it is six years, and it is hard to remember everything that was before a man's mind.

WILLIAM H. HUNTER, Sworn, Examined by—

MR. HODGINS: You are a practising barrister in Toronto? A. Yes, sir.

Q. And have been for some years? A. Yes?

Q. You went out with W. J. Lindsay to settle some actions against the Farmers Bank? A. I did not.

Q. That is incorrect? A. That is quite incorrect.

Q. Mr. Lindsay made the trip himself, did he? A. I do not know as to that.

Q. So far as you are concerned you did not go? A. I did not accompany him.

Q. Did you know he went? A. I knew he was intending to go.

Q. Did you advise him as to what he would have to do? A. I think the advice was given by another firm of solicitors. At that time I wished to remain free to act for the lender, who had introduced me to the question.

Q. I do not understand your answer; I did not ask about a lender? A. But I am saying when the question came up as to the litigation with Mr. Laidlaw's clients, that when I was asked to act by the directors or by Mr. Travers I said that I had been introduced to this matter as acting for the lenders; there might be a conflict of interest and I advised them to get another solicitor.

Q. To be a little more definite who was the lender your are referring to? A. I refer to Mr. Warren's company, the Trusts and Guarantee Company.

Q. Introduced to what matter? A. To the whole matter of the Farmers Bank.

Q. When were you retained by the Trusts and Guarantee Company? A. The first I had to do with the matter would be about the middle of October of that year.

Q. Was that in connection with the loan of $80,000 and $20,000? A. The only loan I knew of was the $80,000 loan.

Q. It was in connection with that? A. Yes.

Q. You were asked to act for the directors of the Farmers Bank were you? A. I was asked to take charge of that litigation that Mr. Laidlaw had started.

Q. Who asked you? A. I think it was Mr. Travers, sure of it, because I had not met anybody else in connection with the bank.

Q. You discussed it with him? A. Certainly I did.

Q. And were fully aware of the situation created by the Laidlaw writ? A. Yes.

Q. He told you I suppose that that writ had gone to Ottawa? A. No, I do not think so; the way the matter arose, as far as I was concerned, was an article in one of the evening papers containing two or three columns. Mr. Travers asked me to come down and see him. His immediate instinct was to ask me to issue a writ for libel against the paper.

Q. Of course you would not do that? A. I preferred to understand the circumstances first. Then I suggested that he call Mr. Lindsay and find out what Mr. Lindsay knew about it. My recollection is that I met Mr. Travers, Mr. Lindsay, and Mr. Warren, and discussed the matter, that the question came up who should act, and that I advised them to go to an independent solicitor.

Q. Was that Mr. McCarthy—Mr. McCarthy was with Mr. Laidlaw, was not he? A. I did not hear Mr. McCarthy's name mentioned.

Q. Who did they go to? A. Messrs. Watson, Masten, Smoke and Smith.

Q. To Mr. Watson's firm? A. Yes.

Q. At that time I think that probably Mr. Masten was not in it? A. That I could not be sure of.

Q. You did not act for the Farmers Bank? A. Not in that litigation.

Q. Was Mr. Lindsay a party to the writ? A. That I do not remember.

Q. Had you a retainer from any one else? A. No.

Q. Did you drop out of it completely and absolutely? A. I would not say that; I was in touch with Mr. Watson throughout.

Q. It was after, was it not, the loan of $80,000? A. I had a notion that the payment by Mr. Warren's company had been made the day after the interview with Mr. Warren and myself and Mr. Travers in Mr. Warren's office, but after the suspension I learned it was some time later, so I cannot say.

Q. What was some time later? A. The payment of $80,000.

Q. Speaking of that interview was that before or after the loan had been negotiated? A. The loan had been negotiated and the papers drawn before I was brought into the matter.

Q. Before you were brought in? A. By Mr. Warren.

Q. And in consequence of Mr. Warren's retainer you felt a difficulty when this matter came up of acting for the Farmers Bank? A. Yes.

Q. You were of course advised by Mr. Warren exactly what the situation was with regard to the deposit? A. With the amount of his loan?

Q. Yes? A. Yes.

Q. That he was discounting notes, that his company were discounting the notes and producing the money? A. As I understood the situation he was making an advance of $80,000 upon $100,000 of notes and assignments of monies paid under stock subscriptions.

Q. For the purpose of putting up the deposit to the Government? A. Certainly.

Q. That was Mr. Warren's instructions to you? A. He told me he was making that loan.

Q. Then when the Farmers Bank writ was presented I suppose you read the endorsement on it? A. I think I did more than that; I think I read the affidavits that were filed.

Q. Of William Laidlaw? A. Yes, I think so.

Q. You are fully aware then of what they were seeking to do? A. As aware as I could be from the reading of the papers.

Q. That was awkward litigation both for the Trusts & Guarantee Company who had arranged the loan and for the Farmers Bank, was it not? A, I could not speak as to the Farmers Bank, but I should not think it would be awkward as far as the Trusts & Guarantee Company are concerned; it was a question whether they had their security or not.

Q. Was not your security attacked in that action? A. I do not think so.

Q. Was it not impeached? A. I do not think so. The Trusts & Guarantee Company were not a party to the litigation.

Q. Did you know the right to pledge those notes for the loan was questioned in that action? A. The propriety of it was questioned.

Q. The legality of it? A. We would not be called upon to answer in that litigation.

Q. But it was in question?. A. Yes.

Q. And you recognized that and I suppose told Mr. Warren so? A. I do not remember specifically mentioning that to Mr. Warren. Mr. Warren I think knew all that I did in connection with the matter; he was present when we read the papers.

Q. Did you ask him whether the loan of money had actually been paid over? A. I think there would be no question it had been paid over then, though as to the exact date of payment I am not aware.

Q. Was Warren pretty anxious about it? A. No, his attitude was he had his security for his money.

Q. Did you really decline to act for the Farmers Bank? A. I have said.

Q. I know you have; you said you declined, but I said did you really intend that to be the fact? A. Certainly.

Q. Why did you keep in touch with Mr. Watson? A. I think that was quite natural.

Q. Not if Mr. Warren's attitude is right, that he was perfectly satisfied, that he got his securities and it was not awkward litigation for the company? I do not see what made you apprehensive? A. I was not apprehensive, but I was keeping in touch.

Q. Why? A. To know what was going on.

Q. How were you interested? A. We were interested in this way at that time, that if the result had been that the bank did not go into operation we wanted to be ready to step in and get that money if we could.

Q. Get what money? A. The money we had advanced.

Q. Then it comes back very much to the same thing you were apprehensive; who suggested buying off the men who were promoting the litigation? A. I think it was either Mr. Lindsay or Mr. Travers; it was not a question of buying them off as I understood at the time, it was a question of offering to take transfers of their shares and giving them the money they had paid on them.

Q. Were you aware that Mr. Laidlaw felt aggreed in the matter of the Farmers Bank at all? A. No more than I heard Mr. Travers say on one occasion.

Q. You were not solicitor for the bank, were you at that time? A. It appears to me I had drafted the advertisement in the 'Gazette' calling the meeting and I think that was antecedent to this.

Q. Is there any doubt about it you were acting for Mr. Travers and in that sense for the Farmers Bank before Mr. Warren retained you? A. No, I had never met Mr. Travers until I was employed by Mr. Warren.

Q. Under whose instructions had you drawn this advertisement? A. Mr. Travers, after the matter had been arranged between him and Mr. Warren.

Q. Then that must have been subsequent to this interview over the litigation. A. No, the notice in the 'Gazette' was current when this litigation came up.

Q. I am trying to get at when your first relations with the Farmers Bank started; that was before this interview when you and Lindsay and Travers and Warren were together? A. Yes.

Q. Was it before your retainer by Mr. Warren; which came first, the Farmers Bank or Warren? A. Warren, I knew nothing of the Farmers Bank until Mr. Warren had employed me.

Q. After he had employed you the Farmers Bank employed you? A. After the advance was made Mr. Travers asked me if I would act in drawing the papers for the 'Gazette' calling the shareholders meeting, and preparing the other formal papers. I asked Mr. Warren if he had any objection and he said no.

Q. What had you to do in arranging for the taking over of the shares; you did not go with Mr. Lindsay? A. My recollection is that Mr. Travers got a personal advance from the Trusts & Guarantee Company or Mr. Warren upon the security of his life insurance policy intending that that money should be given to Mr. Lindsay to be paid over at the time of taking the transfers; my recollection is that I prepared the assignment of that life insurance policy.

Q. The loan being some $2,380? A. I forget the exact amount of it.

Q. Who made the arrangement with Warren or with the company to advance that money upon the life insurance? A. I think Mr. Travers must have.

Q. What instructions did you get about it? A. I got an instruction from Mr. Warren to prepare an assignment of that life insurance policy and the policy was given to me by Mr. Warren.

Q. At that interview we have already spoken of, when Travers, Lindsay and Warren and you met? A. No, I think not. I think it was subsequent to that.

Q. Are you sure? A. I can only speak from recollection, I think it was subsequent to that.

Q. You have no entries of these? A. I may have.

Q. You have not looked at them? A. No.

Q. I would like to see the entries? A. All right.

Q. Travers was reduced to pledging his life insurance at that time, did you understand that? A. I do not know how far he was reduced, he pledged his life insurance at that time.

Q. But there had been a loan upon these notes by the Trusts and Guarantee Company of $80,000 you knew that? A. Yes.

Q. This was only a small, trifling, additional thing? A. Yes, this was a loan to Mr. Travers personally.

Q. Did not he ask that it be advanced on those notes at the same time? A. I do not know.

Q. He did not ask you at all events. A. No, he did not ask me.

Q. Whatever he may have stated to Warren you do not know about, Warren did not discuss that phase of it at all; he brought you the insurance policy? A. He gave me the insurance policy and asked me to draw an assignment of it.

Q. Was it only on the insurance policy or stock in the Dominion Permanent? A. I do not know of any stock.

Q. You drew the assignment? A. I drew an assignment.

Q. Do you know then as to what course the matter subsequently took, or did you just hand back the paper you drew and did they have it executed themselves? A. I was not present at the closing.

Q. At all events you knew the idea was then to hand the money to Lindsay? A. I understood that Mr. Lindsay was to be furnished this money to offer the complainants to take transfers of their shares.

Q. Did you prepare the papers for him? A. No.

Q. Would you just look at those and tell me if they were prepared in your office or with your knowledge? A. They were not prepared in my office. It is not the typewriting of the typewriter in my office.

Q. They were possibly then prepared in Mr. Watson's office I take it. A. I cannot say

Q. He was acting at that time for the Farmers Bank? A. He acted in that litigation.

Q. You do not know whether he did or did not prepare these documents? A. No, I do not.

Q. We are told that Mr. Lindsay went out and around the County of Halton, did you know anything about that? A. No, except I think they were got because Mr. Watson told me he was going to move to dismiss the action.

Q. After they were got you heard from Mr. Watson? A. That he was going to move to dismiss the action.

The Commission adjourned from 1 P.M. to 2.30 P.M.

The Commission resumed at 2.30 P.M., March 20th, 1912.

WILLIAM H. HUNTER, Examination continued—

MR. HODGINS: When did you learn the result of the Lindsay visit to the shareholders? A. I have no possible way of fixing the date.

Q. 26th October is the date of the signatures of the various shareholders who were plaintiffs in that action, the plaintiffs dealing with their stock? A. I have no recollection of how I heard it; I think it must have been in Mr. Watson's office.

Q. Shortly after I suppose? A. Yes.

Q. Were you aware of the dismissal of the action? A. I was aware he was going to move, but I was not up at the time it was dismissed.

Q. I suppose you learned that shortly afterwards? A. I think so.

Q. Kept yourself informed? A. Yes, as far as I could.

Q. Are you prepared to say you knew it shortly after the time at which the action was dismissed, the 27th October? A. I understood that there was a settlement between Mr. Laidlaw and Mr. Watson, at least minutes of settlement entered into, I do not know the actual dismissal of the action, I understood there was some minutes of settlement.

Q. Did you inform yourself what those were, and on what terms the stockholders in that action had been got rid of? A. No.

Q. You were satisfied with the result? A. I understood generally their shares were transferred or were to be transferred.

Q. To whom? A. That I did not know. The obvious difficulty was there was no transfer book in existence at this time, and there could be no transfer book opened until after the organization of the bank.

Q. You were alive to that? A. Yes.

Q. So that you saw a difficulty of getting rid of the subscriptions? A. It would have to rest on the undertaking of somebody that the powers of attorney to transfer would be exercised, and I presume that would be covered by the minutes of settlement.

Q. Did you not satisfy yourself as to the real position they occupied? A. No.

Q. Just left it in doubt? A. As far as I was concerned, I was charged with no responsibility in that matter.

Q. But acting for the Trusts Company you left it as you say without full knowledge of the details? A. I do not think the Trusts Company are interested in these subscriptions, I do not think any securities that moved to them were involved; I would not be clear on that either.

Q. Had the Trusts Company obtained the original subscriptions, or did you understand they were loaning upon notes alone? A. I understood that they were loaning upon notes, and an assignment of the monies payable under the form of subscriptions.

Q. So that the two would go together? A. So I understood, but I was informed after suspension by Mr. Warren that they had no assignment; that is the way I understood the transaction at the time it was opened to me.

Q. What steps did you take to see that the Trusts & Guarantee Company, that is your clients, had got what you thought was a proper security? A. That was not the question that was put to me; when the matter was talked over with me, Mr. Warren asked me to ascertain and give him an opinion whether the Provisional directors of the Farmers Bank had such a propriety in those notes, that they could endorse them over so that the Trusts Company would be holders for value.

Q. That was it? A. He also asked me when I met Mr. Travers to size the whole proposition up as to the outlook for Mr. Travers, and he also asked me when I was looking through the thing to give him a general idea of the character of the subscription lists.

Q. Was this your first retainer by him? A. It was the only retainer by him.

Q. And that was prior to the meeting in the office where the four of you were together? A. Yes, this would be about the middle of October.

Q. Then did you about that time see the subscription list? A. I went over to the office of the Farmers Bank, I think it was then opposite the Rossin House or King St., Mr. Travers at first declined to talk with me; after a little while he showed me—he had the subscriptions as I recollect them on a letter file and showed me the form of subscription; he ran through the subscriptions, leafed them over, telling me who this one was and who that one was. He had not the notes, I understood the notes were in the possession of the lender at that time.

Q. The Trusts & Guarantee Company? A. Yes, but he showed me a form of the notes. We had a general talk over the transaction and the shape in which it was to be put through.

Q. Did you form any opinion as to the validity of the notes, as compared with the subscription lists, they differing in the date of payment? A. I did not have any opportunity of comparing the notes themselves with the subscriptions, but I think probably I assumed they agreed.

Q. I thought he showed you a form of note? A. He showed me a blank note.

Q. Do you know the form of promissory note quite well, was that all he showed you? A. He just showed me one of the notes they were using, as I recollect it ran "I promise to pay to the provisional directors of the Farmers Bank of Canada or order", and then the payment. My general recollection on the subject is that it gathered together the last seven or eight payments that would have been under the form of the subscription.

Q. And made them due at a specific date? A. Yes.

Q. That question appears to have arisen, the question as between the subscription and the notes that they differed, early in June sometime as between the provisional directors and Mr. Travers, you did not as I understand go into it further than you have told us? A. No, I know nothing about that.

Q. Did you size up the situation otherwise? A. I looked through, I heard what he had to say about the subscriptions and I thought it was an unusually good list of subscribers; it seemed to have been pretty well placed.

Q. That was his statement? A. And I think any one would agree who has gone over it that as a rule they were fairly small subscriptions, the stock was very well divided, and in places where he would naturally expect to get considerable support for his branches.

Q. So that you reported favourably? A. I reported favourably upon that, that I thought it was a good list of subscriptions.

Q. The only point left of importance would be the validity of the deposit, the way in which the money was raised for the deposit with the Receiver-General? A. I do not think that would enter into the matter as far as the Trusts & Guarantee Company were concerned.

Q. At that time Travers had made his deposit with the Dominion Government? A. No, he could not have made his deposit with the Receiver-General at that date, because as I understood it, though the cheque was drawn it had not been turned over.

Q. That was probably some days before the 23rd October? A. It was around the 15th or 16th October.

Q. After that this difficulty with the Laidlaw subscription comes up and they are got rid of? A. The date of the writ would be—

Q. I have not the date of the writ; the fact is that the settlement that was made, was made on the 26th October, so that it was prior to that; then you saw Mr. Laidlaw's affidavit? A. I saw the affidavit that was served with the writ, I forget whose affidavit that was.

Q. You realized yourself that if the certificate was not granted by the department that the subscriptions with these notes would have to be returned to the various subscribers? A. Less the expenses, I suppose.

Q. And then did you further realize that in every case the loan by the Trusts & Guarantee Company would not be paid? A. No, I would rather take the other view, that if the Treasury certificate had not issued we would have got our money back from the Receiver-General.

Q. You thought that? A. That would be my view; I do not think it came up precisely in that form. Under the Act, as I recollect it, there was no provision if the certificate did not issue that he should return that money; I presume there would be a liquidation, and ultimately he would have to return that money through the liquidator.

Q. Did you consider that question as to the position the Trusts & Guarantee would be in if the certificate was not issued? A. Yes, that was considered but not in connection with the specific money in the hands of the Receiver-General.

Q. What was it considered in relation to? A. It was considered in relation to the fact that the Trusts & Guarantee Company would be holder of these notes for value, and that each individual maker of those notes, or the promissor in the subscriptions which had been assigned to them would have to pay the then holder.

Q. Was that your view? A. That was my view.

Q. Was that your view under the provisions of the Bank Act which limited the rights of the provisional directors to taking subscriptions and receiving the money? A. I cannot say that I considered that in connection with the Bank Act at all.

Q. What was the phase of the matter that brought it to your consideration at all? A. The question of whether they could realize on the note if the certificate was not issued, and my view was that they could.

Q. Was your opinion asked formally about that? A. In discussion by Mr. Warren.

Q. In your instruction was that prior to the discussion about the Laidlaw writ? A. Yes.

Q. And your opinion was that as the notes were in the hands of the holder for value they could be collected irrespective of whether the certificate issued or not? A. Yes.

Q. Quite apart from the question of whether the lender had notice of the circumstances? A. I would think so, though that specific question was not put to me.

Q. You depended upon the value having been advanced? A. Yes, and that the whole advance was going into the funds of the Farmers Bank and becoming part of the capital.

Q. Your view would be that when it was returned by the Receiver-General the Trusts & Guarantee Company would be entitled to part of that money? A. I thought so; they might have to file their claim with the liquidators.

Q. I am speaking of the fact of going into operation, was that your view then, if it did go into operation? A. If the certificates were issued?

Q. That the money would come back and pay you off? A. No, on the contrary I had the impression wherever I got it, that the Trusts & Guarantee Company would hold those notes and would be paid as the man paid his notes. I did not know anything about they were going to get a bulk sum repayment.

Q. But the question then was confined to the possibility that the certificate would not be granted? A. It would not be granted, and whether they could collect the note.

Q. Your client's position with regard to that; you became solicitor of the bank after that? A. After the organization meeting, I understand there is a resolution of the Board appointing my firm solicitors; the retainer itself was not fixed until the following June, if I recollect right.

Q. And after the passing of the resolution did you continue to act as solicitor of the bank? A. Yes, we continued to act as solicitors of the bank, and I think we were solicitors down to the time of the suspension.

Q. Were the documents that were got in settling with the Laidlaw shareholders handed to you to advise as to what should be done? A. No, I do not remember ever seeing them.

Q. Did the matter of those shares, or what had been done come before you at all up to say the 27th November? A. No, the provisional board were in authority until that time, it did not come at all.

Q. It did not come before you; you say the provisional board---? A. The elected board would be elected at the meeting of the 26th November; until that time it would be the provisional directors that would have charge.

Q. The organization meeting then was after the issue of the certificate when the permanent directors were elected? A. No, the certificate could not issue until after that meeting and the election of the directors.

Q. That is what I thought, it preceded the issue of the certificate? A. Yes.

Q. Prior to the issue of the certificate you were acting as the solicitor of the bank? A. That I could hardly say. I was acting under Mr. Travers' instructions in preparing for the organization meeting, but I do not think there was any resolution appointing me until after the organization meeting.

Q. It may be in the other set of minutes then? A. I should hardly think so; I had no communication at all with the provisional directors.

Q. I suppose you are aware of the resolution which was passed on the 8th October, directing the provisional directors to honor a power of attorney to Travers for the purpose of endorsing all notes? A. I knew nothing of it.

Q. Did you prepare the by-laws that were passed at that meeting? A. Of the 26th?

Q. Yes? A. I assisted in the preparation of them.

Q. You think there was a resolution passed by the regular directors? A. So I was informed.

Q. That I suppose is how you came to be consulted prior to the 27th November, with regard to the application for the issue of the certificate? A. No, I think I have already said that Mr. Travers asked me if I would act and prepare the papers, and I mentioned the matter to Mr. Warren, and he said he had no objection.

Q. You prepared the declaration which Mr. Travers swore to I think before you on the 27th? A. Will you let me see the declaration?

Q. I can show you a copy of it? A. My recollection is that I dictated the formal parts of that declaration to some stenographer in Mr. Travers' office, leaving blanks for him to fill in.

Q. I would like to know whether you prepared it? A. In that way I probably can be said to have prepared it.

Q. Prepared in your office? A. No, I think it was in Mr. Travers' office I dictated it.

Q. What had you to do with the preparation of it? A. I think I dictated the formal parts of that, leaving the blanks to be filled in.

Q. And he filled them in, you think, in his office? A. His stenographer did; he gave the information to the stenographer I suppose.

Q. Then it was—? A. It was declared before me in Mr. Travers' office if I recollect right.

Q. And I suppose after the blanks had all been filled in and completed? A. Certainly.

Q. Did you look at the exhibits that were then marked? A. I presume they may have passed through my hands, but I do not remember giving any examination of them.

Q. You did not inquire from Mr. Travers as to whether the gentlemen named as directors had agreed to take—? A. I knew nothing of that.

Q. You did not inquire from him? A. No; I probably in the dictation as I recollect would come to that point and then go on with my dictation and he would fill in the blank.

Q. There was a good deal set out in the prospectus. I want to know whether you had any knowledge of it? A. No, I had no knowledge at all.

Q. The list of subscribers, Exhibit D, what had you to do with that? A. With the actual list?

Q. Yes? A. With the list itself I had nothing to do.

Q. When did you see that first? A. I fancy when I marked it as the exhibit to that declaration.

Q. The first time you saw it? A. I think so.

Q. What had you to do in its preparation? A. The only thing I recollect is that the day after the organization meeting being in in connection with getting the papers ready for the application at Ottawa, and Mr. Travers introducing me to Mr. Fitzgibbon—I think Mr. Fitzgibbon came into the room, and Mr. Travers asked me to explain to Mr. Fitzgibbon the way in which he, Mr. Travers, had dealt with the note that was discounted.

Q. What note? A. A shareholder's note that was discounted with the Trusts & Guarantee Company. Mr. Fitzgibbon did not ask me any question, but I said as I understood the transaction, the note that had been given by the subscriber had been endorsed to Mr. Travers without recourse to the bank, that Mr. Travers had obtained a loan of the amount of the note, and that Mr. Travers was paying in that amount upon that subscriber's subscription, so that the effect of the transaction, as I understood it was, that as between the bank and the shareholder the bank admitted that the share was paid or part paid to the amount of the note, but as between the subscriber and Mr. Travers or the then holder of the note the subscriber was liable on his own personal obligation. That is what I said to Mr. Fitzgibbon.

Q. You just came in and Mr. Travers asked you to tell Fitzgibbon? A. To explain what had been done.

Q. You must have known of course what had been done? A. I knew that he was applying the monies, the proceeds of these notes upon the subscriptions, of course.

Q. How did you know that? A. Mr. Travers told me he intended to do that.

Q. You are speaking of one individual note in this conversation? A. Yes, that is as far as it went with Mr. Fitzgibbon.

Q. You are speaking to him of one individual note? A. I was just taking the instance to make it clear to Mr. Fitzgibbon; I thought from what Mr. Travers said that Mr. Fitzgibbon wanted to know in what relation the bank would stand to that shareholder and in what relation that shareholder would stand to Mr. Travers who held the note.

Q. Mr. Fitzgibbon was interested in those legal questions? A. I do not know if he was interested; he looked intelligent; he did not make any comment or ask me any questions.

Q. You must have had some conversation with Mr. Travers as to the subject before to be able to give that? A. At the time of my first interview with Mr. Travers.

Q. Tell us what conversation you had with him which prompted this remark to Fitzgibbon? A. I did not know I was going to be asked to meet Mr. Fitzgibbon.

Q. Tell us what had occurred previously that prompted this remark to Fitzgibbon when you were asked to give it? A. I could not tell you that. Back in October when I first met Mr. Travers, Mr. Travers had explained to me how he proposed to apply the money he was obtaining?

Q. What was his explanation? A. His explanation was just as I was repeating now, that he proposed to apply the money that he received in payment on the subscriber's share, and I asked him the question and brought out the answer from him that as between the bank and the shareholder the share would be either fully paid or part paid depending upon the amount, but as between the shareholder and the person who held his note, the shareholder would still be liable to pay his note.

Q. Would be liable to the Trusts & Guarantee Company? A. Yes.

Q. It was with reference to discount there you were discussing? A. Yes, I wanted to know how he was going to get this money into capital.

Q. You of course knew that $110,000 of notes had been pledged for an advance of $80,000? A. No, my information was that there was $100,000 of notes and monies payable under subscriptions; I understood it covered both; I did not know that there were notes to the extent of $100,000.

MR. COMMISSIONER: You mean not to $110,000? A. What I mean is that I did not know there were notes to the amount of $100,000. I thought the security from my information was notes and assignments of specific subscriptions and the monies payable under them were these subscriptions not represented by note.

Q. Notes to what amount? A. I did not know how many notes, how many subscriptions.

MR. HODGINS: Do you mean to say then that neither from Travers nor from Warren did you learn the true transaction, the way in which it was being carried out? A. I only know what I am saying and if the transaction is different as it appears to be then I did not know the true transaction; I was not brought in at the beginning of it.

Q. You do not appear to have got from Travers any distinct idea as to how many notes he was putting up, how many stock subscriptions, in what form they were being handed over, and the exact amount of money to be advanced? A. $80,000 was the amount and $100,000 of security given.

Q. And in what form? A. I did not know how much of it was note and how much of it was assignment of subscriptions.

Q. You did not know that from Travers? A. No.

Q. Did you in advising Mr. Warren's company ever ascertain exactly what had been done between Mr. Travers and the Trusts & Guarantee Company, to get this money? A. I had no discussion with Mr. Warren.

Q. Is that the position you occupied? A. Yes.

Q. That being solicitor for the Trusts & Guarantee Company— A. I was not solicitor for the Trusts & Guarantee Company generally.

Q. Being asked to advise Mr. Warren upon this transaction that you did not, either from Travers or Warren, get the exact details of what was being done? A. As I understood what Mr. Warren was asking me was whether he was getting proper title to these in that way; as to the amount, it was a matter of indifference to that question.

Q. You must have been in considerable haze as to the exact situation when you sat down to advise Mr. Travers on his application for the certificate? A. I did not advise on that, I knew it was being done; it was the only way in which it would become capital.

Q. When you went into the office and saw Fitzgibbon? A. I thought Fitzgibbon came into the room where Mr. Travers and I were.

Q. Had you the list with you? A. No, sir, I saw no list.

Q. What were you discussing? A. That is I say Mr. Travers asked me to explain to Mr. Fitzgibbon the relation in which the bank would stand to that shareholder whose note had been discounted and the proceeds applied.

Q. Did you know that the notes had been individually discounted and specific sums advanced by the Trusts & Guarantee Company against each specific note? A. No, I do not know that, and I do not think that was the case.

Q. How were you advising or giving an opinion to Mr. Fitzgibbon about the relation of one shareholder to Travers and one shareholder to the Trusts & Guarantee Company? A. It appeared to me obvious that if Mr. Travers had applied upon the subscription the amount of his note, paying up that subscription—

Q. The face of the note? A. Yes, paying up that subscription, and had it so entered in the books of the bank, the bank could not afterwards say to that subscriber his share was unpaid; that seemed to me obvious.

Q. Now, you did not even know there was $100,000 of notes and did not know how much was made up by an assignment of the subscriptions? A. That is true, but I am told since that there was no assignment of subscriptions.

Q. How were you in a position to advise Mr. Fitzgbibon or anybody else that Mr. Travers had obtained upon any specific note the face value of that note and pretended to pay it upon the share? A. I did not think I was undertaking to advise Mr. Fitzgibbon, I was explaining the transaction as I understood had taken place between Mr. Travers and the Trusts & Guarantee Company and the bank.

Q. And you have already told us what knowledge you had to found that advice on? A. Yes.

Q. Although Mr. Travers and Mr. Fitzgibbon have told us that in addition to crediting certain amounts, which by the way did not pay the notes up in full, I am instructed at all in any case, they spread a number of payments as they call it on subscriptions on which nothing had been received, and they say that that was communicated to you and that you advised that that was all right? A. I do not understand that they put it precisely that way, but if anything was said to me it would be in this connection: there was more security given than the amount of the advance and it seemed to me it was open to Mr. Travers to apply so much of that advance upon part payment of any of these and not treat the whole of it as paid. He was giving more security than the advance he was getting.

Q. If so he would not have enough to go around? A. If he had the assignment of a subscription, $500, if he had the assignment of that, or that had been assigned to the Trusts & Guarantee Company, Mr. Travers could apply $100 and the first hundred that that man paid would belong to the Trusts & Guarantee Company.

Q. What about the balance? A. The balance would belong to the bank.

Q. Could Travers apply that on anything he liked? A. I do not think so.

Q. How far do you differ from these gentlemen who have spoken to your knowledge? A. You will have to tell me what they have said.

Q. Before we go through that your position is you understood and told Fitzgibbon that the money raised by Mr. Travers upon a note could be applied to pay that as between the bank and the subscribers up in full? A. Could be applied by Mr. Travers, could be paid in by Mr. Travers and the bank would have to give credit for it to the shareholder. It seemed to me in the result that the shareholder was in the position of having a share paid, but still owing his debt to a third party.

Q. Were you in the room and did you hear Mr. Fitzgibbon's evidence? A. Part of it only.

Q. Mr. Travers says this; he was asked, "Did that $291,300 include the $100 you told me you borrowed"—that $291,000 is the amount shown on the list as paid up? A. "Yes, that would include that."

Q. So that then it would not be true they had not been paid? A. It had been paid by the subscribers themselves.

Q. "How did you fix that up, Mr. Travers, if I may put it that way, to put in that $100,000 where did you show it? A. We spread it over various subscribers who had not paid anything, but had given their notes.

Q. "To that extent it is not true? A. It is not true to that extent.

Q. "You say 'we', whom do you mean by we? A. I presume I was the most responsible one, but there were others that were assisting me.

Q. "Who were they? A. Dr. Nesbitt, J. G. Fitzgibbon and our solicitor Mr. Hunter." Then a little lower down: "Did Dr. Nesbitt know they were false? A. He knew that we had used monies that I had borrowed to pad out the statement.

Q. "Did Fitzgibbon know? A. Fitzgibbon knew that.

Q. "Did Hunter know that? A. And Hunter knew it." Then further down: "When you speak of spreading, what do you mean? A. We took the $80,000 and filled out opposite various names".

MR. COMMISSIONER: I notice there he first speaks of $100,000: that is a mistake, is it not?

MR. HODGINS: No, because he borrowed not only $80,000 but also an additional amount.

Q. "Anything spread in that—the $100,000 spread in that one? A. The spreading was done in the other one I think.

Q. "When you speak of spreading, what do you mean? A. We took $80,000 and filled out opposite the various names.

Q. "Money they were supposed to have paid in cash? A. Exactly.

Q. "Did anybody know that was being done? A. I do not think it was known outside of the parties I have named.

Q. "That is which ones? A. That was Dr. Nesbitt, Mr. Fitzgibbon, Mr. Hunter and myself".

Q. How far is that correct? A. That is correct to this extent, I knew that the $80,000 that was being obtained by Mr. Travers from the Trusts Company was reaching the capital stock as payments in for various shareholders, but as to what was paid on any one shareholder I had no means of knowing and never did know.

Q. Did you know that they were attributing to people who had not paid at all monies borrowed from the Trusts & Guarantee Company? A. Not unless they had something of that subscriber that they had discounted.

Q. If they had his stock subscription? A. If there was an assignment of the monies under a stock subscription I would consider it was perfectly open to Mr. Travers to use part of the bulk sum he had obtained and apply it as part of that subscription.

Q. You and Fitzgibbon and Travers agree practically? A. Except I do not wish it to be assumed that I was present and took part in the adjustment of the amounts. I knew that the capital when that transaction was finished included $80,000 of money that had been procured by Mr. Travers and paid in for the shareholders, and I understood he was going to do that at the time of my interview in the middle of October.

Q. I want to make it quite clear, you did know that the amount which was being raised was being applied partly on the outstanding liability of those who had given notes for it, and also upon the outstanding liability of those who had given no notes, but who had subscribed for stock? A. I would not say that, but in each case I understood from what Mr. Travers said that they had money in their hands, which they were able to transfer from the lender, and that the proceeds of that was being applied, but as he was giving security in excess of the actual amount he was receiving he had the right to choose which he would pay in full and which he would only part pay.

Q. Then you do not vary very much? A. I think that position was sound as a matter of law, as I understood the facts.

Q. Then you do not disagree with the statements they have made? A. If that statement does not go farther than I have said we certainly do not disagree.

Q. The statement goes this far, that the application of those monies was not merely upon those whose notes we discounted, but also upon those subscriptions upon which nothing had been paid? A. If there was an obligation in their hands that they had transferred to the lender.

Q. You have said you understood there were subscriptions transferred and notes. A. I understood there was an assignment of the monies payable under these subscriptions, but I did not understand what Mr. Fitzgibbon said this morning that in the case of particular subscriptions that had been taken after that date and dated back that there were monies applied out of this advance, I did not know that; I understood it was applied in the case of existing subscriptions and where something had been placed in the hands of the lender which was available for the loan to collect from the subscriber.

Q. You limit yourself to those which had been transferred to the Trusts Company on the $80,000 loan? A. Yes, on which the liability had been transferred to the Trusts Company such as they could collect.

Q. You would think that they had done what was perfectly proper? A. As far as I knew at that time they did what was perfectly proper.

Q. I explained what they did? A. If what Mr. Fitzgibbon said this morning they did do, then they did something that was improper.

Q. In what respect? A. That in respect of certain subscriptions that were taken after the date of the transaction with the Trusts Company, dating these subscriptions back and applying a part of the proceeds of this advance to those specific subscriptions, I do not see what authority they would have to do it.

Q. You mean that was improper because it was after the time when you gave them that advice? A. No, the lender had nothing in his hands to show the liability of these people to pay; there is where the hinge is.

Q. If the Trusts & Guarantee Company had an obligation from a shareholder on which he had not given a note and if that obligation were assigned you think it would be quite right to represent that to the Government as being a payment of part of the $250,000 under the Bank Act? A. I do not like the question in that form; if you will allow me to answer with this qualification: it seemed to me that the section of the Bank Act was only concerned with the quantum of capital that was paid in, that they were not concerned with who paid it in.

Q. I did not understand from what you said that you had considered that section of the Bank Act? A. Certainly I had considered that section of the Bank Act.

Q. You had given him an opinion? A. No, I was talking that matter over with Mr. Warren, I was not advising Mr. Travers at that time.

Q. Did you give that as an opinion to Mr. Warren? A. I said that that was my view of that section of the Act, that the Act was only concerned with the quantum that had reached capital account and was not withdrawable from the capital.

Q. I cannot ask you to construe an Act of Parliament, but would you mind if I read you that section, and then see if you are still of that opinion? A. Yes.

Q. (Reads section of the Bank Act). Do you think that "Thereof" had any significance? A. It means of the capital bona fide subscribed.

Q. And was the money that they were spreading over these lists part of that $500,000 subscribed? A. As I view it Mr. Travers had paid in for the amount of the subscriber's obligation; then that certainly was paid in in respect of subscribed capital.

There is no other way in which it would become capital. It had to be received in respect of some shares of the subscribed capital to reach capital.

Q. Would you say Mr. Travers or anybody could put up a certain amount of money to get a certificate from the treasury and if he chose to say I apply this on A.B. or Mr. C.D. that satisfied the Bank Act? A. That satisfied that section of the Bank Act.

Q. You would not see anything improper in getting a certificate that way? A. I did not see anything improper; I thought that was all right.

Q. So that if Mr. Travers and Mr. Fitzgibbon acted in that way they have got your countenance? A. Mr. Travers explained what he was going to do before he got that money; I could not see there was anything wrong in what he was proposing to do, as I understood the matter.

Q. And you had told Mr. Warren that? A. I told Mr. Warren that, certainly.

Q. You went down with Mr. Travers to Ottawa? A. Yes.

Q. Whom did you see in connection with the issue of the certificate? A. Mr. Travers asked me to go down to argue this same proposition of law on that section if the question arose.

Q. Who with? A. If the question arose to argue it with the Department of Justice. I told him the usual proceeding was, as I understood, if questions arose they were referred to the Department of Justice.

Q. Did you argue it with them? A. I was not asked to. When I went down Mr. Travers and I walked up to the Department, that is the Finance Department and if I recollect right it was Mr. Ross we met, the chief clerk—I have forgotten whether he was chief clerk—Mr. Travers produced his papers and laid them down; Mr. Ross told him there could not be any meeting of the Treasury Board to consider this matter for four or five days at the earliest, so I said to Mr. Travers, "I will go back and I will come down again on a telegram."

Q. What day did you get there? A. It would be on the 28th I was there.

Q. Were you aware that Mr. Boville submitted all those papers to the Department of Justice that day? A. No, I knew nothing of that.

Q. You were not asked to see him? A. No.

Q. The question you had feared was not raised? A. I could not say that I feared the question.

Q. That you anticipated? A. Mr. Travers anticipated the question to be raised; and he asked me if I was prepared to argue it, and I said I was; and he asked me if I would go down and argue it if raised.

Q. What made you go and look over all the original subscriptions? A. I think Mr. Fitzgibbon is wrong there; I do not think I looked over the original

subscriptions, but I thought if I had to argue that thing that I would have to show substantively that this money that had been received from the Trusts & Guarantee Company had reached capital account, and the only way, as I say, in which it could reach capital account was that it be received in respect of shares subscribed, and I went in to see Mr. Fitzgibbon to say to him that in support of that argument when it came up we would probably have to produce the shareholders ledger, and I wanted to be assured by him that those amounts had been placed to the credit of the respective shares. I do not remember seeing the subscriptions at all.

Q. He says you went over the original subscriptions which are produced? A. I have no recollection of that. It would be the foundation that it had reached the shares.

Q. This sort of thing is what we showed to Mr. Fitzgibbon? A. I do not remember asking about that at all; it was the other matter that was present to my mind.

Q. What was the other matter? A. That the amount that had been borrowed by the discount of the notes had actually been placed to the credit of particular shares.

Q. Did not it strike you as somewhat peculiar you should do that when the very list that you and Mr. Travers took down contained that allocation? A. But in support of the argument it is altogether likely you would have to produce the original books of entry in which those were entered.

Q. And did you find that allocation made in the books that you saw with Mr. Fitzgibbon? A. He produced some book to me in which he showed me a column of figures and said that was it; I had no means of checking it up.

Q. What was the use of looking at it? A. I wanted to know it had been done.

Q. Could you identify the book? A. I do not know.

Q. What was it? A. It would be one of those large books; I think this is the book. (Exhibit 20).

Q. Show me the columns? A. (Shows).

Q. Total payments? A. Yes.

Q. Would that be the column, the last column but one on the page that was filled in? A. That is what I think he showed me that that included in respect of each of the shares upon which the proceeds, the discount had been applied included the amount to the credit of that share, and that it had reached capital account in other words.

Q. But would not it be of very great importance to you to know that payment had actually been made? A. I knew that payment had been made.

Q. How did you know the payment had been made? A. Because the proceeds of the money were in the hands of the Bank of Montreal.

Q. But that is arguing in a circle, that is assuming it had been made and was applied; you are here now looking at the book to see if that is so which had occurred before you went down? A. But you do not quite understand what I am at; they might have made a bulk entry in their books that so much had been received in respect of capital stock; that would not seem to me to satisfy the requirements; it must be received in respect of specific shares; no bulk entry would carry it.

Q. Do you say that that book—because we can compare it afterwards—do you say that that book is the book you relied upon and saw in November, 1906? A. That seems to me to be the book subject to what Mr. Fitzgibbon will say.

Q. Which column? A. The column of total payments.

Q. But that is total payments up to the time the bank failed.

MR. COMMISSIONER: Look further back on the other page. A. Is Mr. Fitzgibbon here?

MR. HODGINS: No. A. I think that is the book. (Exhibit 20.)

Q. Tell me the column you speak of? A. It would be the total payment column as of the date I looked at it.

Q. Take it there "L", this would be something around the time; but you notice here a date in 1907 on that first column on the second half of the page? A. I would have to ask Mr. Fitzgibbon what book he showed me; it looked like that book.

MR. COMMISSIONER: It is simple enough; these entries are made in 1907; that is the book as it was completed up to that time with those two first columns; the first two columns were the subscription payment and alloted.

MR. HODGINS: There is one dated there in February, 1907.

MR. COMMISSIONER: As I understand he did not attempt to check all those. He was trying to ascertain whether that had been done, and Mr. Fitzgibbon produces this book and says "Here is the book which shows I have done it"? A. That is so. I expected if the matter came up in that form they would have to produce what corresponded to their stock ledger to show that money had reached capital account.

MR. COMMISSIONER: You want this to be the book as an indication that that had been done, and the assurance of Mr. Fitzgibbon that it had been done throughout? A. Yes.

MR. HODGINS: Did you get his assurance? A. He told me it had been done, and it looked to me that it had been done as far as I could tell.

Q. Did you compare the stock list that went down with the book at all? A. Not at all.

Q. Did you ask any one? A. No.

Q. Did you ask any one if the stock list down in Ottawa corresponded with the book? A. No; I assumed it did.

Q. Did you ask him? A. No.

Q. Mr. Fitzgibbon's letter is dated November 29th, that you had called to see, and had gone over all the applications and informed Mr. Fitzgibbon that they were all in first class shape—? A. I do not remember going over the applications at all.

Q. This is November 29th, and it was written the day you were in? A. Yes.

Q. Would not he probably be more correct? A. I do not know, I am speaking from my recollection that that is what I went in to see, and what seemed to me material to the case.

Q. Did you take any pains to see whether the shareholders, known as the Laidlaw shareholders had been included in that list? A. No, I did not know whether they were or not.

Q. You did not ask about it? A. But looking back upon it and reasoning I would expect they were, if that list speaks as of the date of the notice calling the meeting. I do not know as to what date the list speaks of, but if that is the governing date, it would include those.

Q. And properly so? A. I think so.

Q. Why? A. Because if the declaration or the list speak as of a date anterior to the row with Laidlaw's clients, it ought to include them.

Q. They ought to be represented as bona fide subscribers on the 27th November? A. If the governing date is the earlier date then it would not be the 27th November.

Q. That is they should be put in that declaration if the declaration set out that they were bona fide subscriptions on a certain date? A. If the governing date—and my recollection is that Mr. Travers was obstinate upon that point that the governing date was the date of the notice in the 'Gazette' calling the meeting of the 26th November; that would be one month prior.

MR. COMMISSIONER: The statement in the affidavit is, "On the 23rd day of October there had been actually bona fide subscribed."

MR. HODGINS: That is what you mean? A. Yes, if that is the governing date. I disagreed with Mr. Travers there and I tried to argue with him and he

was obstinate and he thought the Act spoke altogether as of the date when the notice started to run.

Q. Well, that is perfectly correct that he says on the 23rd October there had actually been bona fide subscribed $507,057 in shares—the list, Exhibit D we are discussing is said to be a list of the subscribers correctly setting forth as to each subscription, the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares, the amount paid in thereon. Each of said subscriptions is a bona fide subscription to the capital stock of the said bank? A. Again speaking of that governing date.

Q. It does not speak of the governing date, it speaks of the date of the declaration? A. Is the list dated?

Q. No, it does not appear to be. You were only the one day in Ottawa? A. Yes, I expected to go back again.

Q. Had you occasion to advise Mr. Travers while there upon the subject? A. Of this?

Q. Yes? A. No; the talk we had had was the day before.

Q. In Ottawa you did not have to advise him at all? A. No.

Q. Mr. Fitzgibbon's letter refers to those three cheques that were sent down; do you remember what Mr. Travers said about that? A. I was trying to recollect; it runs in my mind that he had, when he got through in Ottawa, to go down to Montreal on some business; I think there was some mix-up about a lease that some agent had taken for the bank, and he had not the money with him for what he would do in Montreal, and he told me when I was in seeing them, to tell them to send him down some cheques, whether it was one, two or more, I do not know, but I did not know what the purpose of the cheques was.

Q. You had no part in connection with the issue of the certificate; you did not go back to Ottawa? A. The first I heard was the certificate had issued.

Q. You heard that from Travers? A. I think Mr. Travers telegraphed his office.

Q. And then he came up here? A. Yes, but I think he came by way of Montreal; it was some days afterwards and then I saw him.

Q. Did you learn from him that the Minister had pointedly asked him whether the money had been borrowed? A. No, I am almost certain that that did not come out. What Mr. Travers told me was a matter that was rather different. He said he had got a good introduction to Mr. Fielding, that he had produced to Mr. Fielding his testimonials as a banker, that Mr. Fielding expressed himself as pleased to find the affairs of the bank were in the hands of an old and experienced banker, and Mr. Travers said to me that he had his Treasury certificate in twenty minutes after his interview with Mr. Fielding, and that that was the ground of the decision, the affairs of the bank were in good hands.

Q. What Mr. Fielding wrote Mr. Travers I will read to you: "We have been told that in some cases the subscribers did not actually pay in cash but gave notes to the provisional directors which were used to raise the money.....I shall be glad to have an assurance that nothing of the kind has taken place in relation to the subscriptions for the Farmers Bank, but that the amounts set forth in the application as having been paid up have in every place been bona fide cash payments." A. The first I knew of that was when the papers were produced in the House.

Q. Mr. Travers never told you at all? A. No.

Q. And his answer would be written in the light of the conversation with what he knew you had done, and the conversation with you as you told us advising him? A. I do not see how he could answer that on any advice I gave him, because my advice was to argue the law.

Q. He got rid of you? A. No, I do not think he got rid of me, I think he expected me back, but it looks to me as if he took the line of least resistance when the thing came up.

Q. He said he got it in twenty minutes? A. That is what he told me, after he had the interview with Mr. Fielding he had his certificate in twenty minutes; that the point Mr. Fielding was making—Mr. Travers had shown me previously some of these letters, a testimonial from the General Manager of the Merchants Bank, and some others, I have forgotten whom, as to his long and successful experience as a banker; and what seemed to be troubling Mr. Fielding according to the way Mr. Travers spoke to me was that the affairs of the bank might be in the hands of a man who was not a banker, and therefore would give the Government trouble sooner or later, and his anxiety was relieved,—I think those are the words Mr. Travers used in quoting Mr. Fielding—that his anxiety was relieved when he found out the affairs of the bank would be in the hands of an old and experienced banker.

Q. Did he mention what introduction he had had? A. Yes.

Q. What did he say? A. He said, the chief Liberal Whip had introduced him.

Q. Did he draw any money when you were down there? A. Not to my knowledge.

Q. Did you know as to any of the subscriptions said to be ante-dated; you have confined your evidence so far to the $80,000 loan? A. Yes.

Q. There was subsequent to that from the Trusts & Guarantee Company a $20,000 loan? A. I did not know that until after the suspension.

Q. You were not consulted in any way? A. Not consulted at all with regard to that.

Q. You did not know, did you, about these subsequent subscriptions? A. No, and I heard some evidence this morning that I can hardly agree with.

Q. What is that? A. That is as to a $50,000 subscription of Lindsay's; my recollection is that at my first interview with Mr. Travers that I came across that subscription in looking through the subscriptions and asked him about it.

Q. What did he say about it? A. He said first of all that he had at that time subscriptions to the amount of five hundred and sixty odd thousand dollars and that that fifty thousand dollars was not part of the five hundred thousand dollars needed under the Act, and then he explained that subscription that Mr. Lindsay had been canvassing various people whom he had been unable to close with, but had promised stock at par, and he was subscribing for $50,000 to be able to carry out the promises he had made, and that in any event the first installment upon the subscription would be paid, because the bank were going to be owing him considerable sums of money for commission; so that my recollection is that that $50,000 was in at the time I saw that subscription, about the middle of October.

Q. You see the subscription dated the 22nd October? A. Again that subscription would be dated after the time I saw it, if that is the subscription I saw; but I have a distinct recollection of discussing a Lindsay subscription for that amount with Mr. Travers in his office on King St.

Q. He may have had the document; was it in application form? A. An application.

Q. He may have had that and not put it in, not intended to use it? A. I do not know about that. It was on the letter file of the subscriptions, because that was the large subscription and that is the one I asked about.

Q. You think it was before the 22nd October? A. My interview would be before the 22nd October; that is correctly dated the 22nd October, I could not have seen it when I was in Travers office.

Q. Look at it and see? A. Yes, this is dated October 22nd.

Q. Is that the one you saw? A. That I cannot say; I do not think I could have seen that one on the day I am speaking of.

Q. Was the one you saw dated? A. That I cannot say; I think I remember clearly the amount 500 shares, but I do not remember anything else because it

would be a matter of considerable importance to me at that time if there was a subscription of $50,000 to be counted to make up the $500,000.

Q. Why would it be important? A. Because the basis of it was $500,000 subscribed, and $50,000 by a stock solicitor might not be assumed to be bona fide subscribed.

Q. That was your impression? A. Yes, I wanted to know something about his means and why he was subscribing.

Q. Did you inquire about his means? A. From Mr. Travers and Mr. Travers said the first installment, the commissions that the bank would be owing him would answer the first installment.

Q. He did not go further as to that? A. No, but then he went on and made the explanation that there were parties to whom Lindsay wished to be able still to transfer some shares at par.

MR. COMMISSIONER: Do you happen to know any special reason why you were retained by the Trusts & Guarantee Company in this transaction? A. I hardly looked upon it, sir, as a retainer by the Trusts & Guarantee Company. Mr. Warren and I had discussed a like transaction that had taken place in connection with an insurance company some time before.

Q. You think that is the reason? A. Yes.

Q. It had nothing to do with your connection or supposed connection with the Farmers Bank? A. I had no connection with the Farmers Bank.

Q. Any connection or supposed connection you had with the Farmers Bank—it had not? A. He knew I had no connection with that.

Q. I do not quite understand how you work out the idea that nobody would be hurt; it would be impossible for anybody to be hurt by the transaction that was entered into in the way in which the credits were given. Supposing a man that had given his note for $1,000 had got credit for $500 on his own transaction and $500 had gone to the credit of John Smith who was not worth a brass farthing, how would he be helped when he was called upon to pay the balance of his note after he had paid his $1,000 to you, where would he be as to your clients? A. I looked upon it my people were advancing only $500 of the $1,000 in the first instance.

Q. I am not talking about security of the lender; I am talking about the fairness to the subscribers; one subscriber has given his note for $1,000, money is borrowed upon that, half of the money attributable to that note is applied in payment of his stock, the other half is applied in payment of stock of somebody else who has paid nothing? A. I did not understand the transaction was taking that shape; I understood that where the whole amount was not applied that the lender was only loaning the amount that was applied on that particular note.

Q. I thought it was a bulk loan upon all the notes? A. It was a bulk loan but it would have to be distributed; for example, if in the case you quote, the man had given his note for $1,000 and only received credit for $500 in my view the Trusts & Guarantee Company could only collect the $500; they held security in excess of the amount of their loan.

Q. I thought the idea was that the Trusts & Guarantee Company were bona fide holders for value of these notes and could collect the full amount; it seemed to me there would be a difficulty there? A. In practice that ought to have been solved with Mr. Travers filing with the Trusts & Guarantee Company the amounts he had appropriated to the particular shares, and the share certificates should have been lodged there, showing the amounts paid, and as the man came in to the Trusts & Guarantee Company he should have had the obligation handed back and the share certificate.

Q. The Trusts & Guarantee Company had not very much security if they had simply the subscription for the stock, had they? Supposing the bank had not gone on? A. I think the promise to pay could be collected; it could be collected by a liquidator.

Q. Collected by the bank? A. It could be collected by the liquidator of the bank.

Q. Don't you think Mr. Travers, when he was putting in the hands of the Minister a declaration that on the 23rd October there was so much bona fide subscribed and so much actually paid, ought as an honest man to have communicated to the Minister the fact that with regard to 210 or 219 shares these shares had been practically repudiated and the bank had recognized the right to repudiate—did not that look like a dishonest transaction? A. I would not like to characterize it as dishonest.

Q. If a man had thought about it, would not he have thought it his duty to have communicated? A. The Finance Department according to all I have seen since had the whole correspondence with Mr. Laidlaw in their office at that time.

Q. All that was said by Mr. McCarthy in withdrawing his protest was that his clients had been settled with; there was nothing to indicate that they had been bought off—not using that in any offensive sense—that they had been settled with by taking the stock off their hands? A. It would have been better at the end of the share list to have added the note that as to 219 shares they would be in the hands of other holders.

Q. Had you any acquaintance with Mr. Travers before you came into communication with him about this bank? A. No communication at all, no knowledge of him.

MR. HODGINS: There is evidence that was given—I do not know that it was of very much importance, but it was given by Mr. Hughes Charles of Montreal. It is in reference to a conversation he had with Mr. Stratton. I do not know whether to bring him here or not, because it is only as to a sentence, a short conversation, and I do not know whether you would care to use the evidence that he has already given. If so I can put that in.

MR. COMMISSIONER: How is that relevant, a statement of something that Mr. Stratton may have said?

MR. HODGINS: It will have its relevancy when we come to investigate the Trust & Guarantee Company.

MR. COMMISSIONER: You had better wait till we reach that. Is Mr. Stratton to be called?

MR. HODGINS: Yes.

MR. COMMISSIONER: It would be better to examine Mr. Stratton about it and put it in in contradiction if necessary.

MR. HODGINS: Would there be any objection to putting it in and reading his evidence; or would you rather have Mr. Charles here?

MR. COMMISSIONER: I do not think there is any objection. When Mr. Stratton is examined, if he has any view about it that he would prefer to have him here, we can deal with it then.

MR. HODGINS: I will mention it again before putting it in.

MR. COMMISSIONER: I do not see any object in bringing him here.

MR. HODGINS: However, I would rather, I think, mention it afterwards.

The Commission adjourned at 4 P.M. to 11 A.M. tomorrow, March 21st, 1912.

The Commission resumed at 11 A.M. March 21st, 1912, at Osgoode Hall.

PRESENT:

THE COMMISSIONER, HON. SIR WILLIAM MEREDITH.
FRANK E. HODGINS, K.C. and J. THOMPSON, K.C.
I. E. WELDON.

ARTHUR R. SHAVER, Sworn, examined by—

MR. HODGINS: Q. What was your position in the Farmers Bank? A. Transfer Clerk.

Q. What banking experience had you? A. None prior to that.

Q. When did you join the Bank staff? A. About the end of October, 1906.

Q. Employed by Travers? A. Yes, sir.

Q. What had you been doing before that? A. Accountancy.

Q. Then you were familiar with figures at all events? A. Yes, sir.

Q. You did the writing out of cheques, didn't you? A. For a short time.

Q. For how long? A. A few weeks.

Q. Beginning about when? A. Just about the time I speak of until the organization.

Q. The organization meeting? A. Yes.

Q. It would be about a month? A. Yes, something like that.

Q. You kept this cheque book and wrote out the cheques in it? A. For the most part, yes.

Q. Do you remember three blank cheques being torn out and sent to Travers? A. I recall it now.

Q. Just look through and see if you can tell where those were taken from? A. No, I cannot trace them.

Q. Look at the cheque I show you, number 23, do you find that? A. Yes.

Q. What do you find that to be for? A. Here it is expenses W. R. Travers and W. H. Hunter to Ottawa and Montreal *re* Treasury Certificates $100.

Q. Is that the cheque corresponding to it? A. That should be, yes.

Q. Is it in your handwriting? A. Yes.

Q. Would the three cheques be after that? A. I could not say.

Q. What do you remember about it? A. I don't remember anything about it.

Q. You see the stubs are written in your handwriting? A. Yes, very likely afterwards.

Q. Quite probably; that would tell you something about it; you see the stub of number 25 has the date altered and the stub of number 26 has the name altered; can you tell at all which were the three cheques? A. I would not think 25 was; that is a local cheque for salaries.

Q. Why was the date changed on that? A. I could not say.

Q. Have you looked at the cheque? A. No.

Q. Take the next one, number 26, that was formerly drawn to one McCorquodale.

Q. Have you any recollection of that? A. No.

Q. Who was McCorquodale? A. He sold some stock for the Provisiontal Directors.

Q. Why is it changed to Guthrie & Pringle? A. I could not say.

Q. In whose handwriting is the change made? A. Mine.

Q. Take the next cheque No. 27, marked "Cancelled", is there any explanation at all of that, do you know anything about it, why is it marked "Cancelled"? A. I could not say.

Q. You have no memory at all? A. I cannot recall.

Q. You are the man in charge of that book, who did all the writing in it? A. Yes, most of it.

Q. The next cheque is December 4th, $10? A. Yes, sir.

Q. And at the bottom, cheque 30 is also marked "Cancelled"; you can throw no light on it at the present time? A. I cannot recall why those things were done.

Q. Perhaps before you go you will look at the cheques which are in and compare them with the book; I will perhaps speak to you about it later on; did you know C. H. Smith? A. Yes.

Q. And do you know anything about the terms of the settlement with Smith? A. Nothing.

Q. What had you to do with the matter? A. Nothing.

Q. Nothing at all, not even carrying out instructions as to his payment? A. Well, I heard afterwards; I handed him money on only one occasion, and I heard afterwards there was a settlement of some sort, but at the time I knew nothing about it.

Q. Tell us what money you handed him? A. I handed him $1,800 in the Traders Bank, in the elevator in the Traders Bank.

Q. On whose instructions? A. Mr. Travers.

Q. What instructions did he give you? A. None, further than what I have said.

Q. What were they? A. As I said to hand that to Mr. Smith.

Q. You knew Mr. Smith? A. Yes.

Q. And did you take the cheque and get the money? A. Yes.

Q. You had taken the cheque and cashed it, had you? A. Yes.

Q. Can you find it in the book; how long after Travers came back from Ottawa was it? A. I cannot say.

Q. Is this the stub, on the 19th December? A. Yes, that is it.

Q. That is $1,800; is that the date you gave it to Smith? A. I gave it to Smith immediately upon cashing it; I could not swear to that.

Q. Travers endorsed it and you drew the money? A. I drew the money.

Q. Farmers Bank circulation I suppose? A. No, sir, there was no circulation at that time; the Farmers Bank was not opened; I went down to the Traders Bank and I got this money and I walked down from the Traders Bank into the elevator and I met Mr. Smith and I handed him the money.

Q. What was the reason of handing the money instead of the cheque? A. I do not know.

Q. Did Smith give you anything? A. He gave me nothing.

Q. He did not return an I.O.U.? A. No; any more than he said he expected this.

Q. You did not know what it was for? A. No.

Q. What is the number of that cheque? A. 52.

Q. Is that the cheque (Part of Exhibit 8)? A. Yes.

Q. Endorsed by you? A. Yes.

Q. How was that $1,800 charged up, was it to Commission Account? A. I think so.

Q. Yes, I see that is charged to Commission Account in the ledger; the only thing I want to ask you about this morning is certain cheques that were given to Mitchell; do you remember those cheques? A. Yes, Mitchell is a broker.

Q. What cheques did you take over to him? A. I did not take over any cheques to him; I drew out some cheques to his order.

Q. I suppose you cannot remember the amounts of those cheques? A. Not off hand, no.

Q. Were they large cheques? A. Yes.

Q. How many were there all told? A. Two I think, certainly not more than three.

Q. You drew them up and what did you do with them? A. I gave them to Mr. Travers.

Q. Did he instruct you as to why he wanted them? A. No, simply asked me to draw them.

Q. Is that all you had to do with it? A. Yes.

Q. Did you see corresponding cheques given back from Mitchell? A. No.

MR. HODGINS: That is all in the meantime.

MR. COMMISSIONER: Would these cheques go into your Cash Book? A. Yes.

MR. COMMISSIONER: You could probably turn up your Cash Book about McCorquodale; perhaps there will be some explanation of that; you may have paid him cash.

MR. HODGINS: You might look at the Cash Book and look at the cheques in the meantime.

WILLIAM J. LINDSAY, Sworn, examined by—

MR. HODGINS: Q. You are described as a stock seller in the papers I have, would that be right? A. Yes, sir, at times.

Q. How long have you followed that occupation? A. Occasionally for the last ten years thereabouts.

Q. Previous to this had you been getting up insurance companies? A. No, sir.

Q. Subsequent to this? A. No, in a retail dry goods and travelling.

Q. Subsequent to getting up subscriptions for the Farmers Bank you had been in retail dry goods? A. I had promoted another company in the interval, sold stock for another previous to that.

Q. I am asking you if before you promoted the Farmers Bank you were getting up an insurance company? A. No, sir.

Q. Was that afterwards? A. No, sir.

Q. Never had anything to do with the promotion of an insurance company? A. No, sir.

Q. How long before you started with the Farmers Bank had you been selling stock? A. Possibly for three years.

MR. COMMISSIONER: I thought you said ten? A. Three years, and since the Farmers Bank would be just about ten.

MR. HODGINS: You have been a stock seller ever since you started three years before the Farmers Bank matter? A. Yes.

Q. You kept it up ever since? A. Yes.

Q. And of course you knew Travers? A. At the time, yes, I had known of him; I never met him until November prior to the time that he entered in the Bank; I had known of him.

Q. Can you give me the date and the year you are speaking of? A. November or December, 1905.

Q. You and he were boarding together? A. Yes, he came in from Winnipeg, he drifted in there.

Q. You were talking of your abilities as a stock seller? A. No.

Q. At all events you undertook to sell stock, did you? A. When?

Q. At the time when you met Mr. Travers? A. Not when I first met him; we had been in the boarding house for five or six months before anything was done.

Q. Would that bring you to the summer of 1906? A. No, some time in March or April, the beginning of April.

Q. Then at all events you made the arrangement you were going to get stock taken up for the Farmers Bank? A. Yes.

Q. The commissions you got all told amounted to over $25,000 according to the books of the bank? A. No, sir, I did not.

Q. How much will you admit you got? A. That is altogether from the time that I started to sell until the time I quit?

Q. Yes; I said your commissions as found in the books of the banks amounted to somewhere around $25,000? A. Somewhere around $21,000 as near as I can recollect.

Q. That would be 10%? A. No, sir.

Q. On the par value of the subscription? A. No, sir.

Q. What would it be? A. Up to the time the bank was organized I do not think I cleared quite 3 1-2%.

Q. Who did you divide it up with? A. Travers.

Q. Did he get half of all the commissions? A. He got a good deal more than half; he had full control.

MR. COMMISSIONER: Half of this $21,000? A. No, sir, altogether.

Q. He got half the commissions you earned? A. No, sir. Before the Bank was organized I was supposed to get half the commissions; after the organization I got 10%, $10 per share on the stock sold at 125.

MR. HODGINS: Prior to the organization were you dividing up with anybody? A. Yes.

Q. Who? A. With Travers.

Q. After the organization were you dividing up? A. No, sir.

Q. Was there 10 per cent. prior to organization, so that you would get five and Travers five? A. He had a contract for 10 per cent.; he made a contract with me for 10 per cent., which he afterwards side-stepped, and said that was not the understanding.

Q. What was the arrangement, did you get 10 per cent. and divide half with Travers, was that the arrangement, according to your idea? A. No, I did not; I was only to get half.

Q. Of what? A. Of what he was getting after the expenses had been deducted.

Q. The expenses were your expenses, you mean? A. Yes, and he also put in his expenses.

Q. That is travelling and so on to get stock subscribed? A. Yes.

Q. When you say over $21,000 is that what you got yourself? A. About that amount, as near as I can remember.

Q. And that amount you did not divide up with anybody, that was your share? A. A portion of that I had to divide with sub-agents again.

Q. But that was your own look-out? A. No, that was not my own look-out; that should have been deducted out of the whole; that should have been part of the expenses.

Q. That was your contention anyway; but what I want to get at is the $21,000 was what you got personally and was not subject to division with Travers? A. No.

Q. Although you had to give some to your sub-agents? A. Yes, and my expenses were to be taken out of that $21,000; and they were very heavy.

Q. How much would that amount to? A. My expenses, I don't know; the first trip I went to England it cost me probably between $1,000 and $1,500, and the second trip——

Q. Have you ever made up what your expenses were? A. My expenses were around $5,000.

Q. Did you ever make them up? A. It was made up in the suit that is now pending——

Q. Of Lindsay v. Farmers Bank and W. R. Travers?

MR. COMMISSIONER: Your expenses were about $5,000? A. Between $4,000 and $5,000.

Q. Without the sub-agents? A. Yes.

MR. HODGINS: You don't mean you paid out four or five thousand dollars apart from what you paid your sub-agents? A. You cannot go to England and spend six months there——

Q. If you say so? A. As far as I can remember.

Q. You say you spent $5,000 apart from what you paid your sub-agents? A. Somewhere around those figures.

Q. Have you any way in which you can verify that? A. In the brief I presume it is there still.

Q. That is in the brief in the Lindsay suit against the Farmers Bank? A. Yes.

Q. And that was made up from something you supplied? A. Yes. I do not know whether that is on file in the solicitor's office or not.

Q. You will get that? A. I will try to.

Q. You were out selling stock from about March, 1906, till the close of 1906 on down to the organization? A. Yes.

Q. And bringing in the subscriptions? A. The greater part of the time.

Q. Travelling all over? A. Yes.

Q. And of course you know there was a great deal of dissatisfaction with a great many of your subscriptions? A. Yes, after the Ontario Bank failed.

Q. You give us that date, that is the first objection to your subscriptions? A. Largely so, as far as I was concerned, yes.

Q. Had you been successful towards, say October, 1906, in getting the full amount of the Bank's capital? A. In September the 15th or the 18th, according to Mr. Travers' statement there was $485,000 subscribed.

Q. That was a letter from him? A. Yes.

Q. And that gives us a pretty good date to start from? A. That is only speaking from memory as to date.

Q. Have you looked up your letters recently? A. Not since last November.

Q. You have a pretty good memory? A. It was fairly well impressed on my memory at that time.

Q. That is his letter to you (letter of the 24th September)? A. Yes, $489,000.

Letter 24th September from W. R. Travers to W. J. Lindsay filed as EXHIBIT 23.

Q. So that on the 24th September there was registered and allotted stock to the amount of $489,500, and "there is only $10,500 that we can now sell at par so if any of your friends out there would like to obtain a few shares of the stock they will have to do so quickly. We are making a great effort to put up our Government deposit next week and a little generosity on the part of our subscribers will enable us to do so. If you can induce some of the people out there to pay up to the extent of fifteen to twenty thousand dollars I will guaranteed that the Government deposit will be made next week and we will have an office of the Farmers Bank open and doing business in Milton thirty days thereafter." He speaks of your friends out there, are you a County of Halton man? A. I was working out there at that time.

Q. That does not answer the question? A. That is as far as I was associated out there, the work I had done out there.

Q. Your friends there, who was he alluding to? A. I had made a great many friends out there.

Q. Selling stock? A. Yes; I had as much as five and six and seven of them at the foot of the stairs before eight o'clock in the morning; before I was out of bed in the morning waiting to subscribe for stock.

Q. Waiting to subscribe for stock? A. There was one morning I took $15,500 before I had breakfast.

Q. What time did you breakfast that morning? A. About 10.30.

Q. I thought a stock seller had much more difficulty? A. After the second week the smallest week I had was $18,000 or $20,000.

Q. What time was that? A. It was May, June and July.

Q. In September they were cooling off a bit? A. Yes.

Q. You were breakfasting earlier then. In consequence of that letter what did you do? A. I was selling stock and getting the subscriptions.

Q. You kept on selling stock and getting subscriptions? A. Yes.

Q. How many did you get between that date and the 22nd October? A. I could not say.

Q. Where will we find that, in the books of the Bank? A. I don't know.

Q. Did you hand in the subscriptions on printed form? A. Yes.

Q. And you always initialled them? A. No.

Q. Did you keep a list? A. No.

Q. How would you know what you were to get commission on? A. That would be an easy matter in the Bank.

Q. Explain how if you did not keep a list, how would you expect to find out what your commission amounted to? A. The books of the Bank would show.

Q. We have to look at the books of the Bank to see? A. Yes.

Q. Is that your sole record? A. Yes.

Q. You were pretty familiar with these subscriptions? A. No, I am not any further than when I obtained them and handed them in, I do not think I ever had the opportunity of seeing them scarcely.

Q. You were familiar with the terms on which all your subscriptions were made? A. Oh, yes.

Q. And the representations made to the people? A. Yes.

Q. You had occasion some time later to examine the list of subscribers, had you not? A. No, sir.

Q. Or the list of stockholders, which was it? A. You mean when the suit was pending?

Q. I don't mean to give you any date at all. I want to know if you can remember that you ever did examine the list of shareholders? A. No.

Q. Just look at this letter, it is a copy of a letter, perhaps you will say that is a copy of one of your letters to Mr. Travers, November 13th, 1907. A. Yes.

Letter November 13th, 1907, filed as EXHIBIT 23.

Q. It says: "Dear Mr. Travers: I find on looking over Bank blue book that you have included therein several names that are not or should not be on the list as shareholders. Is this not a most serious violation? You have to sign such I would say as being correct, it looks and listens like as though you were taking a chance. Pardon me for making any reference to this, as you can rightly say it is none of my business; so therefore I apologize. Yours truly, W. J. Lindsay." That is your letter; what was the Bank blue book you looked at? A. Published by the Government.

Q. Up to what time would that show the list of shareholders? A. I do not remember just up to what time.

Q. Would it not be the 31st December, 1906? A. I presume it would.

Q. Who were the shareholders you alluded to in that letter?

MR. COMMISSIONER: You had better get that Blue Book.

MR. HODGINS: To what subscribers did you refer when you said he was taking a chance? A. There were two subscriptions over in Flint, Michigan, that were only conditional subscriptions.

Q. Give me their names? A. Matthew Davidson and Flint P. Smith.

Q. Amounting to how much? A. $5,000 each.

Q. You say those were the ones you referred to? A. Those were the ones, yes.

Q. The only ones? A. I don't remember; I think there is a possibility that those were the only ones that I remember; those are two that I knew were conditional.

Q. You do not say so in the letter? A. No.

Q. "Several names," you say? A. Yes.

Q. That would mean more than two? A. Yes, it might; several might be two and might be more.

Q. Which did it mean? A. I was only speaking in a general way there.

Q. What does it mean? A. I could not say.

Q. "Is this not a most serious violation," can you tell me what led you to use that expression? A. I understood in furnishing a list of names to the Government that a man had to make an affidavit to it, and he was sworn to it, that was all.

Q. What was the occasion of your writing this letter to him? A. He had said something about these two names, and I looked it up and I found they were—well I don't know exactly what brought it about. I did not know that I had it; I did not remember having written that letter until I was going through my files last year.

Q. This was produced at your trial? A. Yes.

Q. You knew all about it from then on? A. Yes, I did not know until Mat Cameron had uncovered it in my papers.

Q. You throw no light on this deal except as to the two names? A. Those are the two I remember of.

Q. What happened after that letter telling him he took a chance, what arrangement did you make with Mr. Travers? A. I do not remember of anything ever having been said about it.

Q. He never replied? A. I never got a reply scarcely from him.

Q. How long did you continue selling stock after that? A. For two months or three months.

Q. And you made no new arrangement in consequence of that letter? A. As far as that was concerned it was past and gone.

Q. You made no new arrangement subsequent to November 13th, 1907? A. No. That may have come out—I don't know what was the cause of it.

Q. Look at this letter dated the year before, December 7th, 1906, did you get that letter from Travers? A. Yes.

Letter December 7th, 1906, from Travers to Lindsay filed as EXHIBIT 24.

Q. In that letter of December 7th, 1906, he says: "At a meeting of the Board of Directors of this Bank held on the 26th November last a resolution was passed placing the balance of the stock of this Bank up to a million dollars in your hands for sale at a premium of 25%. It was understood, of course, that a certain amount of stock now on our books which has to be replaced could be done so by you at par. You are to be allowed $10 per share for selling it payable on payment of the 25% premium." What stock was that? A. I don't know.

Q. He says it was understood that a certain amount of stock now on our books which has to be replaced could be done so by you at par? A. That was not understood by me.

Q. Did you act under this letter? A. Yes, but I did not sell any at par.

Q. Did you act under this letter? A. Yes, but I say I sold no stock at par.

Q. You sold no stock at par after that, after December 7th? A. No.

Q. The books won't show that? A. I don't think so; there were ten shares that I took a subscription for in Strathroy, if I remember correctly, which never was filed for some reason or other, I don't know what the cause of it was.

Q. What was the name of the man? A. Bulley or Wolley. I don't remember.

Q. You did not understand that reference in the letter to the stock which had to be replaced? A. I never paid any attention to it, never took it up with him.

Q. You never enquired what it meant? A. No, and I never sold any stock at par.

Q. Why did not you enquire when he said it had to be replaced, why did not you find out what he meant? A. That letter I got it and I lost it, it was misplaced until the fall of 1908 or 1909.

Q. Your statement is that you did not understand or that you did not speak to him about it, and that you did not act on it? A. Selling stock at par, no.

Q. Replacing certain other stock? A. No.

Q. Had it any reference to certain shares, what we may call Mr. Laidlaw's subscriptions? A. That I do not know.

Q. Perhaps you took care not to enquire? A. I never made any enquiry.

Q. Had it any connection with the letter that you wrote a year afterwards, on November 13th, saying you had seen it in the Blue Book? A. I could not say.

Q. Is that the best answer you can make? A. Yes; I had no recollection of what really brought about the writing of that letter until, as I tell you, some time in 1908 when it was resurrected out of my papers.

Q. You mean you found out since what was the cause of it? A. No, I found the copy of the letter.

Q. You do not suppose Travers would write to you to replace stock which you had not had subscribed; the letter looks to me as if it was some of your own stock, some stock for which you had obtained subscriptions that was being replaced? A. In that letter it may possibly have been in connection with my subscription of $50,000 of stock which I subscribed for, as I had one man who afterwards became a Director and who was going to take $30,000 or $40,000, and I said I would endeavor to retain that for him so that he could get it at par; he had not made his financial arrangements whereby he could finance $30,000 or $40,000, but he said he would take it and become a Director of the Bank as soon as he could straighten himself away.

Q. Who was that man? A. Mr. Menzie.

Q. You naturally must have understood that letter? A. Unless it was referring to that.

Q. I don't want you to guess at it? A. I am not guessing, and I am not saying the actual facts; I may have read it over and passed it up with that in my mind, because I never saw the letter again until away along in 1908.

Q. Are you saying now that that is what that letter refers to? A. I could not say.

Q. This appears to be the Blue Book; will you look at that list and tell us what names you noticed in it? A. This is not the Blue Book; is there not another Blue Book than this?

Q. You know when the Bank was organized? A. Yes, 1906.

Q. Do you find those, what are called the Laidlaw Shareholders on that list? A. There is one there.

Q. That is Smith, of Flint, you are referring to? A. Yes. You want to know now if I find the Laidlaw ones?

Q. Yes? A. I don't remember the names.

MR. COMMISSIONER: They do not appear to be here, and I think one of the witnesses said they were not in this.

MR. HODGINS: You do not find what we know as the Laidlaw Shareholders there? A. No, the Flint people are there.

Q. It could not be in reference to the Laidlaw Shareholders? A. No; apparently the Flint people.

Q. Those had been got out of the way before that? A. I could not say.

Q. Did you know anything about them? A. No, sir.

Q. You did not know anything that had been done with it? A. No, sir.

Q. You spoke of that letter possibly having reference to Mr. Menzie's subscription? A. To my own subscription.

Q. You were giving an account of your own subscription? A. Yes.

Q. How much was Menzie going to take up? A. He was going to take up thirty or forty thousand dollars; he afterwards took up forty thousand dollars and paid for it in full.

Q. Who was Menzies? A. A gentleman who resides here in the city.

Q. What was his business at that time? A. The Menzie Wall Paper Company.

Q. He failed disastrously shortly afterwards, did not he? A. I could not say.

Q. This, I suppose, is your subscription? A. Yes, 500 shares.

W. J. Lindsay's subscription for 500 shares filed as EXHIBIT 25.

Q. You do not pretend you were able to pay that stock up in full? A. If everything had gone along all right, but I did not take it with the object of paying it up in full; I took it with the object that Mr. Menzie assured me he would come in for thirty or forty thousand, and out of my commissions I could quite easily afford to handle the whole ten or fifteen thousand myself.

Q. You know the date of it? A. Yes, I see when it is dated there.

Q. When was it signed? A. It was signed about September or first October when I made arrangements with Mr. Travers, and he said he would endeavor to hold it in that way for me.

Q. Signed when do you say? A. About the end of September.

Q. Then this subscription was put in at a time when you knew only $10,000 was needed in subscriptions? A. It was after that had been obtained. I was out in Milton and I made up my mind that the amount had been secured and it was after the $500,000 had been subscribed, I felt there was about $500,000 subscribed, but it was subsequent to that letter, and having had an interview with Mr. Menzie——

Q. Is Mr. Menzie here now? A. I could not say.

Q. You don't know where he is? A. He is in the city quite frequently.

Q. You say that at the time you made the subscription $10,000 had been subscribed? A. That was my recollection.

Q. And that you signed this towards the end of September? A. Yes.

Q. Why was it dated the 22nd October? A. It was not dated at the time.

Q. Whose writing is the date in? A. It is not mine.

Q. Whose is it? A. W. R. Travers.

Q. Why did not you date it, you were a stock seller and taking subscriptions every day in the week, why did not you put the date in? A. Because I was not sure whether they would let me have it or not.

Q. You did not know whether it was going to be used or not? A. I did not know whether I was going to get it or not at par.

Q. You did not know whether they were going to need it? A. It was not that at all, it was for the object that I have just stated, that I signed for it, and that Mr. Menzie, as I stated before, took the $40,000 and it was not transferred.

Q. Did you ever pay that up, or was not that subscription cancelled? A. It was afterwards cancelled. I tried to have it transferred at various stages when I was selling stock, when I discovered it had not been transferred to Mr. Menzie, and I endeavored to have a portion of it transferred from time to time and Mr. Travers would not permit it.

MR. COMMISSIONER: Transferred to whom? A. To various subscribers that I was placing the stock with.

MR. HODGINS: Did you ever transfer it to Menzie? A. No.

Q. That was the man that you had in view when you took it? A. Yes.

Q. Do you remember when it was cancelled, how soon it was cancelled? A. It was cancelled when he would not allow me—I got a letter from him, I do not know where that letter is, you will probably have a copy of it in the bank—I was down north of Brockville selling stock, and I had sold. I have forgotten two or

three or four thousand dollars worth and I wanted to commence to transfer it then, and he said no, that the directors would not permit it. I think it was 1908. I had a letter from London where they wanted to take the balance of the stock, and I got a letter from Mr. Travers——

Q. I do not want the letters unless I see them. I would like to see them? A. You will have them in the bank; I may be able to dig them up.

Q. You had subscribed for fifty shares as well? A. Yes.

MR. COMMISSIONER: They were cancelled on the 18th March, 1908, according to this book (EXHIBIT 18).

MR. HODGINS: That is your subscription for 50 shares? A. Yes, sir.

Subscription of W. J. Lindsay for 50 shares filed as EXHIBIT 26.

Q. Did you put the date on that? A. No, sir.

Q. Who did? A. Mr. Travers.

Q. Who signed your name to that subscription? A. I guess I did.

Q. And put nothing else there? A. I filled the fifty and I signed W. J. Lindsay and William John Lindsay.

Q. In taking subscriptions did you always leave the date out? A. Not as a rule.

Q. Always put it in? A. Yes.

Q. Very important is it not? A. I do not know just what importance is attached to it.

Q. That makes 550 shares all told? A. Yes.

Q. That is $55,000? A. Yes.

Q. The record is that 440 out of that were cancelled? A. Yes.

Q. Is that right? A. I was not there when it was cancelled I could not say. I got a letter and I am not just sure of the figures, but I think it was 440 or 445.

Q. They could not have collected $44,500 from you? A. If everything had gone along smooth in the bank they could; if I could have sold the last four or five hundred thousand as easily as I sold the first three or four hundred thousand there would not have been any trouble.

Q. Cancelled 18th March, 1908; you had had a year to sell stock? A. Things had not gone along; there were two banks had gone by default, and it had changed the color of the investment of a bank security.

Q. So that in March, 1908, they could not have collected that money from you? A. No.

Q. You transferred the balance to Mr. Travers? A. I think there was fifty shares transferred, I would not be sure of the number.

Q. Just a little prior to the suspension? A. Oh, no, surely not.

Q. It was within sixty days after? A. Oh, no.

Q. Yes, I see it is prior to the sixty days; it was about the 18th March? A. That was signed in blank; I don't know just when it was.

Q. Did you pay anything upon the 550 shares? A. That was discussed and afterwards Mr. Travers stated there was $9,150 credited up to my account out of commissions.

Q. Did you pay anything on these shares? A. Only in that way.

Q. The statement of Mr. Travers that there was so much credited on them ——? A. Out of my commission due me.

Q. Have you found out since that is not the case? A. No.

Q. And that there was nothing ever paid upon those shares? A. I have not had an opportunity to find out.

Q. Not inquired from the liquidator? A. The liquidator gave me notice, the $9,150 that we discovered, that is in the examination in my case against Mr. Travers and the bank.

Q. The liquidator put you on the list for 550? A. Yes.

Q. And showed no payments? A. He showed no payments but $500 on the five shares.

MR. COMMISSIONER: Apparently disregarding this transfer.

MR. HODGINS: Yes, the liquidator disregards this as being a proper cancellation.

MR. COMMISSIONER: The transfer, 50 shares.

MR. HODGINS: 100 shares? A. I could not say how much.

Q. The record is two transfers of fifty shares each? A. I could not say what it was.

Q. What did you sign? A. He asked me to sign the transfer, he wanted some of it for some purpose.

Q. Travers never made any attempt, and the bank never made any attempt to make you pay up on those shares? A. No, sir, but I tried to have them transferred.

Q. Was there an understanding on which you were to take out and get other people to replace? A. There was no understanding.

Q. I thought that was the understanding you communicated to Travers? A. There was no understanding. I said I wanted $50,000 worth of stock at par, that I had some friends that were coming in and I wanted to be able, and I had promised to give it to them at par when they were ready.

Q. I would have thought that was communicating with Travers? A. The way you asked the question I thought it quite different.

Q. Then there was no understanding that that should be done? A. I made the request what I wanted it for.

Q. And did Travers assent to that? A. I signed it and he said he would try and put it through with the provisional Board.

Q. He assented to it conditionally on it being put through? A. He said he would try.

Q. He understood thoroughly what your idea was? A. Yes.

Q. And that was the time it was handed to him? A. Yes.

Q. And he had the privilege of using it later had he? A. I did not attach any privileges to it.

Q. When did you learn whether your condition had been accepted or not? A. I do not know just when.

Q. Did you learn any dealing had taken place with the stock any time in October? A. I do not know just when.

Q. You do not know? A. No, I know that it was arranged that it should be given to me at par, I know that.

Q. Between the 24th September and the end of September when you say you signed that had you had $10,500 of stock taken up? A. I could not say.

Q. You said you understood it had been taken up, who did you understand that from? A. I think I came in and Mr. Travers said whatever it was made five hundred odd thousand dollars, five hundred and eight thousand dollars or something.

Q. You came in from where? A. From being out in the field securing stock.

Q. You came in towards the end of September? A. I do not know just when.

Q. The end of September, 1906, and he told you then that had been taken up so that the list was complete in your idea? A. Yes.

Q. Did you know anything about the application for the certificate; did you attend the organization meeting as a shareholder? A. Yes, I was there.

Q. November 26th that was? A. Yes.

Q. You attended that meeting? A. Yes, I was there.

Q. You heard the report of the provisional directors read I suppose? A. Yes.

Q. You knew the election of directors took place? A. Yes.

Q. You remember the amount of the stock taken up was read out then? A. I presume it would be possible.

Q. Did you realize the amount; you knew the $500,000 had to be reached and you tell me it had been reached before you gave this subscription for these later shares, 500 shares? A. I know it was either completed or about completed.

Q. If it was read out at about $572,000 you would know your shares were included? A. I think they had arranged I should have it.

Q. You knew they had been included? A. Yes, before that.

Q. You knew before that that it had gone through? A. Yes.

Q. You were considerably interested in the certificate being granted, were you not? A. I don't know where the interest was—it was none of my business.

Q. Why not? A. Why?

Q. Where were you going to get your commissions if the bank never opened for business? A. I suppose I considered a man does business that his commissions are due and payable as soon as he has done his part.

Q. Did not you sue the Farmers Bank for these commissions? A. I did later.

Q. Your idea all along was that the Farmers Bank should be responsible to you as soon as they opened for business? A. Yes.

Q. You have so alleged? A. I have so alleged that Mr. Travers and the bank are responsible.

Q. You knew at that time your getting commissions depended upon the bank going into operation? A. No, I considered after I did my business whether the bank had gone or not gone into business I was entitled to my commission; I had not taken any advice on it, that is the usual agent's consideration.

Q. Who had you agreed with? A. I had an agreement I was to get so much commission with Mr. Travers.

Q. Had not you agreed you were to get so much commission with some one? A. Yes.

Q. Who was that some one? A. Travers.

Q. You had no claim against the bank? A. Not up to that time.

Q. And did not care whether it went into operation? A. I was quite anxious to see it go into business; I had done my part.

Q. You did take a part in helping the certificate through? A. No, sir.

Q. Are you the one who got these Laidlaw subscriptions taken out? A. Yes.

Q. If it is the case you did not take any interest in getting the certificate why did you start round and get these subscriptions out of the way? A. Just the same as Mr. Watson came in to do his part.

Q. Who is Mr. Watson? A. Watson, Smoke Smith, and I put in a bill for $1,000 for the work I did. I understood he had got $1,000.

Q. That is Mr. George H. Watson came in? A. I expected to get pay; when I was first called in I demurred and said I would not do anything of the kind.

Q. Did you meet with Mr. Hunter, Mr. Travers and Mr. Warren? A. I did, about 8 o'clock one evening.

Q. Had you been served with a writ at that time? A. No, sir.

Q. Had any one of the four been served with a writ? A. I don't think I was ever served.

Q. Don't you? A. No.

Q. You were a party? A. He said I was.

Q. You knew that the proceeding prevented the issue of the certificate? A. That is what I understood.

Q. That would completely put the thing out of business? A. It is different.

Q. At all events you knew the end of the bank was in sight, that was the object of the suit? A. Yes, if they got a winding-up order.

Q. This took place at 8 o'clock at night? A. Yes.

Q. Who told you the winding-up order was being asked for? A. An injunction and winding-up order.

Q. Who told you that? A. I forget, it was discussed.

Q. Mr. Hunter? A. It was discussed among the four of us, Mr. Watson, Mr. Hunter, Mr. Warren and Mr. Travers.

Q. Was George H. Watson there? A. We met at the Dominion Permanent and went right down to Mr. Watson's office; they had an appointment with him that night.

Q. Before that interview you four, Warren, Hunter, yourself and Travers had had an interview, is that right? A. They were practically concurrent. We walked from the Dominion Permanent office I think down to the other.

Q. That was the connecting link, you had had the interview at the Dominion Permanent before? A. It was only just a matter of calling to meet Mr. Warren there to go to see Mr. Watson.

Q. That is probably quite correct, but I want to find out if there was a meeting, and did it take place in the Dominion Permanent, and did you discuss the matter? A. It was discussed, it was put up to me: Would I do so-and-so, and go out and take them out, and I at first refused, I demurred, and said I would not, they were good and legitimate subscriptions. So then they went on to thrash the matter out and they said it was the only way, that is to take Mr. Laidlaw out and leave him completely——

Q. Are you mixing up the two interviews? A. Oh, no.

Q. I am trying to confine you to the one before you went down to Mr. Watson's office for the moment? A. No, I am telling you what happened.

Q. What happened before you went to Mr. Watson's? A. Yes, in a general way as I remember it.

Q. In this writ these people charged fraud and misrepresentation in getting their subscriptions? A. One-half of the people that are included there had not given instructions to Mr. Laidlaw at all when I went out to see them.

Q. That is not the point? A. How could they allege fraud when they had not instructed him.

Q. You admit there were some who had instructed Mr. Laidlaw? A. There were some.

Q. And did those allege fraud and misrepresentation? A. I don't know; there was no fraud and misrepresentation as far as I was concerned.

Q. Did they allege it? A. I don't know whether they alleged it or Mr. Laidlaw alleged it.

Q. You say at that interview that night that nobody said they are alleging fraud and misrepresentation and these are your subscriptions? A. Yes. I said they were good and valid, every one of them, and I demurred at first and refused to go.

Q. You knew the charge was made against you in connection with these subscriptions, that they were obtained by fraud? A. Yes.

Q. Did you know that they alleged that quite a number of gentlemen—Major Beattie for instance—that these parties were alleging that he had never promised to be a director, and that his name was on your prospectus? A. Yes.

Q. Did you know that that was involved in it? A. That was not true.

Q. Major Beattie says it was true? A. That is not true, I have a letter.

MR. COMMISSIONER: You can put that in later.

MR. HODGINS: Did you discuss the fact that the subscriptions had been changed in amount, that this was charged in the writ? A. Yes; I refuted that.

Q. You denied everything that was charged? A. Yes. I might say I think Mr. Laidlaw's apology on that matter can be——

Q. I only want to get at what occurred at the meeting, and if you want to make a general statement now that you denied all the charges there is no objection

to your making it, but I want to get at what was the matter of discussion that night: "An injunction to restrain the Bank, and so on, from using, drawing upon and paying or transferring any money. notes, or other obligations received from the Plaintiffs. An injunction to restrain the Bank, the Provisional Directors, the General Manager and their officers, servants or agents from publication of a notice to call the meeting of the alleged subscribers of the shares of the capital stock, from making application to the Treasury Board for a certificate under section 14 and 15 of the Bank Act. The appointment of a Receiver; and an order for administration"—you knew that A. I did not go into the details.

Q. You knew sufficiently of it? A. They told me what the affidavit consisted of and I said I would not have anything to do with it.

Q. They urged it was up to you to get rid of this? A. They urged that was the proper way out of it and asked me if I could do it; I said I could do it.

Q. They based it upon the ground that you had been the one who had got the subscriptions? A. Yes, and that I could go and take them up and take them out.

Q. Then you walked down to Mr. Watson's office? A. Yes.

Q. And had a conference with him at which the others were present? A. No, they had a conference; I sat to the one side and let them do the conference.

Q. You were down there? A. Yes.

Q. Did you sulk in a corner? A. No. I sat outside, I was not paying any attention; I was listening to it.

Q. It was none of your business? A. It was none of my funeral.

Q. When did you go out to Milton? A. I went out in the early part of the week.

Q. I would like to get the date if I could?

MR. COMMISSIONER: What date was this? A. I do not remember.

MR. HODGINS: Can you give me the day of the week? A. I think it was Monday or Tuesday probably subsequent to that.

MR. COMMISSIONER: You went out? A. Yes, either Monday evening or Tuesday evening.

MR. HODGINS: Then what evening in the week was it you had this meeting? A. I could not say.

Q. Was it Saturday? It is just possible that it was.

Q. You went out very soon afterwards? A. Yes; I returned on the following Saturday morning of the week I went out.

Q. It took you how long out there? A. I had only two drives, two days' drives.

Q. This writ is dated 22nd October? A. What day?

Q. I could not tell you the day of the week; and the order dismissing the action was on the 27th, that would be just five days? A. It would be longer than that.

Q. You say you only had two drives? A. Yes, three drives.

Q. Did you get the documents signed the day they bear date? A. That I could not say.

Q. Did you get these documents? A. I did.

Q. After sitting in the corner and saying nothing that evening you were the one who went out and did the work? A. Yes.

Q. Did you take any one with you? A. No.

Q. Who is Mr. Dewar? A. He is a resident of Milton.

Q. He is not there now I understand? A. No, and in fact he took his own horse the first day that we went out.

Q. Did you go out in the day time or night time? A. In the day time.

Q. And you had three drives and got these documents which I am going to put in signed? A. Yes.

Q. They had been prepared for you? A. They were prepared here before I went out.

Q. In Mr. Watson's office? A. I think so.

Q. Where did you get them? A. I think I got that in Mr. Watson's office.

Q. Did you agree that night to go out and get them? A. Yes, I said I would go out and try.

Q. You made no bargain that you were to be paid for it? A. All I said was, I said, "I will go out and try and do anything as long as I get paid for it."

Q. You say you made that statement in Mr. Watson's presence? A. I think so.

Q. I would like to know? A. I do not know whether it was in Mr. Watson's presence or whose.

MR. COMMISIONER: You are not examining him for discovery in this suit.

MR. HODGINS: He has no suit against Mr. Watson.

MR. COMMISSIONER: He has a claim against the Farmers Bank, I think?

MR. HODGINS: I don't care whether he has one against the Farmers Bank or not; I only want to know the conditions on which he went out and whether he told them to anybody? A. I went out expecting to get paid for my work.

Q. I want to know what you said to these people; are you able to say you made that statement at all to any of these people that night? A. I made the statement to some of them; whether it was in the room or where and I put in my bill afterwards.

Q. Give me the names of the people you think you said it in front of or to? A. It was in the office.

Q. What office? A. It may have been in the Dominion Permanent that I said "Well, I can try and do anything as long as I get paid for it."

Q. It may be in the Dominion Permanent? A. It may have been, but I went out with the impression that I was going to get paid for my work.

Q. You are not clear really that you said it at all? A. I must certainly have said it, that is my recollection of it.

Q. Are these the documents that you got? A. Yes.

The assignment referred to procured by Mr. Lindsay filed as EXHIBIT 27.

Q. They all bear same date? A. Yes.

Q. Were they got on three different days? A. They were got on two or three days.

Q. On two or three different days? A. Won't be positive about whether they were two or three days or how; I only had three drives.

Q. On three different days? A. I would not be sure of that; I wound up at 11.30 o'clock at George Denoon's house, I remember that—I went away in the morning at six o'clock and went out towards the foot of the mountain, towards Hamilton way and I came back and went the other way and came into town and got another team of horses. If you will write to Anderson I think he will verify I had three different horses from him that day; it may have been all the same day. I was out there three days.

Q. That is the first day you went out? A. No, I was out there two or three days just lying around expecting to find some of them in the town.

Q. What had happened? A. I was waiting to find some of them in the town.

Q. In Milton? A. Yes.

Q. Not finding any of them you got them all put through in the one day, starting at six o'clock in the morning and ending at 11.30 at night? A. Yes.

Q. And that was the 26th? A. Yes, I think that is right; I would not be absolutely clear on that.

Q. What money did you take with you? A. I did not take any money with me; I took a cheque book with me, took a few cheques.

Q. On what bank? A. Bank of Montreal.

Q. Did you sign cheques out of that cheque book? A. Yes.

Q. In whose name, whose account were you signing on? A. On my own.

Q. Had you at that time got any money? A. I had some money.

Q. Who from? A. And Mr. Travers was to deposit between twenty and twenty-five hundred dollars, I have forgotten the amount he was to deposit, to my credit.

Q. Then these payments were made out of your own individual money? A. No, he deposited there; he assured me it would be deposited there the day I went out, which it was.

Q. You cannot fix that date, was it two or three days before the 26th that these bear date; the papers bear date the 26th October, was it two days or three days before that that you had gone out; you said you laid around for two days? A. I think you will find the 26th was on Friday.

Q. If you laid about two days and then got an assignment on the 26th it would mean you went out on the 23rd, would not it? A. I went down in the early part of the week, I do not know just what date.

MR. COMMISIONER: I think he said he went Monday or Tuesday? A. Either Monday night or Tuesday night.

MR. HODGINS: Mr. Travers did not get that loan till afterwards, till after you had made those payments? A. I do not know that.

Q. What was the arrangement between you when you went out? A. There was no arrangement whatever further than he was to deposit that amount to my credit in the Bank of Montreal.

Q. And in the meantime till that was deposited you were to pay it out of your own funds? A. No, he assured me it would be placed to the credit of my account, to go ahead.

Q. When was it to go to your account? A. Practically the next day.

Q. Why was it to be paid out, if that be the case, out of your account? A. I do not know what amount would be required, whether it would all be required or anything, and I went out there.

Q. Why was your Bank account to be used as the medium? A. He was to give me the money and I said I would not take it with me; he was going to give me the cash and I said: "No, I won't take it; deposit it to my account, I am not going to go out and carry two or three thousand dollars in my clothes, it is not business". He said: "Maybe they won't take it unless you have the cash". I said "If they won't take the cheque they can stay in".

Q. Do you know what date the money was deposited in your account? A. No.

Q. When did you arrive in Toronto with the documents which have been put in? A. Somewhere about 8.30 or 8.45.

Q. I understood you were out till half past eleven that evening, the 26th? A. The morning and evening are different.

Q. The next morning you got back? A. Yes, Saturday morning between 8.30 and 9; I think it was 8.45 the train was due.

Q. Was W. A. Dixon one of those you settled with? A. He was.

Q. Look at that letter, tell me if you know anything about the fact that those letters were sent to the various parties? A. No, sir, I do not.

Q. You cannot identify that? A. No, sir.

Q. Do you know that the action was dismissed by Mr. Justice Anglin the day you arrived here with those papers? A. I do not remember exactly; I remember I was told that case had been traversed over or something, I don't know what it was, I could not say.

Q. You knew the thing was in a hurry? A. I knew the thing was in a hurry! That is a strange way to put it.

Q. Did you go straight to Mr. Watson's office? A. I went to Mr. Watson's office and I went home to breakfast; I handed them in.

Q. Handed them in before breakfast? A. I don't know that Mr. Watson was in the office.

Q. You cannot say whether you heard it was dismissed the same day? A. No, I do not just remember.

Q. You do not know anything about a subsequent letter which was written to those that had been settled with; were you buying those shares yourself? A. A. No, sir, I was taking a transfer of them, an assignment of them I think it was.

Q. For whose benefit? A. Mr. Travers was to look after them; I did not go into the details of it.

Q. For whose benefit, I did not ask for details? A. I do not know for whose benefit.

Q. Who would benefit by it, who did you understand was benefiting by getting rid of this suit? A. It would be the Farmers Bank.

Q. When you took those assignments in your own name it was not your idea that you were in any way becoming a shareholder? A. They were to be transferred.

Q. To whom? A. That was for Mr. Travers to deal with.

Q. You did some transfers in the book yourself though? A. If my memory serves me right, and it is very hazy, I think I did sign something to take care of these.

Q. At whose request? A. Mr. Travers.

Q. Who wrote out the transfers? A. I could not say, I do not think it was filled in at the time.

Q. Did you afterwards sell these shares to anybody? A. Not to my knowledge. As I said before I think I had not sold anything only ten shares, and that was not delivered at less than 125 to my knowledge.

Q. Did you have any conversation with Travers; you had handed the papers in to Mr. Watson's office, did you see Travers that day? A. I presume I did.

Q. And told him what had occurred and what you had done with the papers? A. Very likely.

Q. How did he express himself? A. As entirely satisfied I presume.

Q. That seemed to remove any difficulty about getting the certificate out? A. I don't know.

Q. Did Mr. Travers say anything to you about the importance of time in getting this matter straightened up? A. Mr. Watson asked me whatever I did to come in, get it done during the week.

Q. Did Travers say anything to you as to the importance of time in the matter? A. It was discussed amongst them that is all; I do not remember just what was said.

Q. Was the reason given to you? A. I have no idea; that is going back five or six years.

Q. When the certificate was issued you learned of it pretty soon, didn't you? A. I don't know that I learned very soon, I think I saw it in the paper.

Q. Did you get paid a large sum immediately after the certificate was issued? A. It depends on what you call a large sum.

Q. It would be a large sum to me, $10,000? A. No.

Q. You were not paid that? A. No, sir.

Q. Who got it? A. I got $5,000 of it; there was a cheque issued for $10,000, of which I got the proceeds of $5,000, which I deposited in the Traders Bank.

Q. Is that cheque right, your signature? A. The face of it is there.

Q. And it is endorsed by you? A. Yes.

Q. And you drew the money on it, drew the $10,000? A. I deposited $5,000 to my credit and the other $5,000 I handed over to W. R. Travers.

Q. Why? A. As his portion of that cheque.

Cheque dated December 6th, 1909, for $10,000 on Farmers Bank account in the Traders Bank, payable to W. J. Lindsay, filed as EXHIBIT 28.

Q. Is that what he was entitled to? A. Yes.

Q. Why were not the expenses deducted that you had been to up to that time? A. That was a matter of adjustment; there was very much more than that coming and anything I did as regards commission I wanted to make it plain—

Q. You knew where that money came from? A. I knew it came out of the Traders Bank.

Q. You knew the Bank had not started operations yet and that all it had was the money paid in on subscriptions? A. That cheque is dated 6th December, 1906; what date was the organization meeting?

Q. 26th November, the certificate issued on the 30th? A. I see "The Farmers Bank, W. R. Travers, General Manager". It must have started operations.

Q. No, it did not open for business till the 2nd January, 1907? A. I think you will find they were doing business right along.

Q. I don't think I will find it at all; are you prepared to swear they were open for business on the 6th December? A. I would not say; it is signed "Farmers Bank of Canada. W. R. Travers, General Manager."

Q. Marked commissions; did you know where it came out of? A. It came out of the Traders Bank.

Q. Did you know what moneys the Farmers Bank had on that date out of which it could come? A. No, sir.

Q. You are not suggesting the Bank was operating at that time and it came out of the funds of the Bank acquired after it had opened its doors? A. I do not know.

Q. What did Travers do with the $5,000? A. He put it in his pocket.

Q. You did not pay up any shares or any subscriptions with this $5,000? A. No, sir.

Q. You put it in the Bank? A. Yes.

Q. Keep it and use it? A. Yes.

Q. For your own purposes? A. Yes, I used it up largely in going to England the following spring and that was in the interests of the Bank.

Q. Kept it there till the next spring? A. Part of it.

Q. You took notes for the subscriptions? A. Some of them.

Q. A good many of them? A. If it was convenient for the subscriber.

Q. Irrespective of the terms of the written application? A. Yes; I took it under instructions.

Q. Making all the deferred payments come due at one particular time? A. I have never sold stock that I have not taken good notes in lieu of the cash.

Q. I ask you the way it was done; he would pay so much and take a note for the whole of the balance at a particular time? A. Yes, or if he had a mortgage coming due and did not pay anything I would take a note for the full amount.

Q. Did you receive the cash?? A. What cash?

Q. That the subscribers paid, or did you just take the subscription and the note and hand it in and let the Bank or Provisional Directors get the money? A. In some cases I received cash, that is where they had the money in the house; I put that money in my pocket, and I would send my personal cheque to the Bank for the same amount, writing on the corner of it what it was.

Q. Did you deduct your commission? A. No, sir.

Q. Why not? A. Because I never have done it.

Q. You I suppose were aware that subscribers to the Bank are not stockholders till after its organization? A. I am not.

Q. You were not aware of that? A. No.

Q. You were not aware that if the Bank never went into operation the subscribers were entitled to their money back again? A. No, sir.

Q. That did not operate in your mind in handing it all in? A. No, sir.

Q. And you never deducted the commission from the cash you got? A. I never deducted a penny piece or a brass farthing.

Q. Can you give me your reason for that? A. I have never done it in any transaction because I don't think it is right. I have always felt that any moneys received from a stockholder is not mine until after it has reached the Company and becomes their property.

Q. What had you to do with the getting up of the list of subscribers? A. Unfortunately I had this to do with that, that I secured probably 80 or 85% of the subscribers whose applications I never practically set eyes on afterwards.

Q. I mean preparing this document? A. Nothing at all.

Q. Were you consulted at all? A. No.

Q. In no case? A. In no case.

Q. You had made no payment of the amount stated in this list opposite your name, had you paid $500 on your first stock subscription? A. It was credited up to me out of my commission, I understood.

Q. Had you paid at any time $5,000 on the second subscription? A. I understood there were $9,150—

Q. I did not ask you that; had you paid $5,000 on that second subscription of yours on the 27th November, 1906? A. You understand I understood that $9,150 had been transferred from my commission account to the credit of my stock subscriptions.

Q. That was long afterwards; I am speaking of the 27th November, 1906? A. I understood my commissions would pay part of it and I would go on and replace it.

Q. You had never paid $5,000? A. I had no jurisdiction—

Q. You never allocated $5,000 to that subscription? A. I never issued a cheque, and I never issued or authorized the five shares to be paid up but it was paid up.

Q. You never arranged with any one that they were to credit that $5,000 upon your shares? A. No.

Q. And you did not know it had been done when the list went in to the Government? A. No, I had absolute confidence in whatever Mr. Travers did at that time.

Q. Is the suit against the Farmers Bank still going on? A. Still in the Courts.

Q. Travers or the Bank never made any effort to collect that last subscription of yours? A. No: they gave me the regular notice, when they would not transfer it they gave me the regular ten days' notice; I have the letter signed by the Bank.

MR. COMMISSIONER: What do you mean by the letter? A. Notice of cancellation.

MR. HODGINS: I mentioned Major Beattie's name and I think you wanted to produce something. I just want to say I have a letter too from Major Beattie, and if you have, it would be just as well to produce it? A. It has been said about the provisional directors not having given their consent to be directors, if elected. I notice every one of those gentlemen ran for shelter, they did not run for shelter merely but they galloped for shelter after the failure of the Ontario Bank. I might say that A. G. McKay, D. M. McLeod, William Calvert, Major Beattie all promised. and were quite anxious and satisfied with the idea of becoming a bank director at that time.

Q. At what time? A. When I approached them; every one of them.

Q. What more do you want to say about Major Beattie? A. I went to London to see Major Beattie and here are some letters. (Produces copies of

letters). One thing I have never done, and that is to associate a man on a prospectus where he had not given his consent.

Q. Do you want these to go in? A. No, not necessary.

MR. COMMISSIONER: Are these all? A. They are touching that; they are not direct or indirect.

MR. HODGINS: I have not the slightest objection to your putting them in, if you wish. They are correspondence with Major Beattie; and I can close it with the last letter to Mr. Travers. Perhaps you can tell generally speaking what you had to do with him or any of these Directors who have given evidence here? A. Take W. S. Calvert.

Q. Take Major Beattie first? A. I called up Major Beattie from my house, and Mr. Travers was in the house. I got Major Beattie on the phone, and he practically, that is to me, decided that he would go on the Bank Board.

Q. A long distance message from here? A. I said "Mr. Travers is here, he will speak to you", and I said "I will run up to London to-night and see you", and I wired when I would arrive. He met me at the Tecumseh House. He also talked with Mr. Travers over the phone. I got to London and he met me at the hotel and we remained there until quarter to ten, and he went up to meet his son who was coming down from Mount Hope—he had been taking French lessons there. In the course of the evening after we got over the amount that was necessary to qualify he said "Yes, $3,000. You know, Lindsay, I have not got any more money than enough, and I do not want to lose any, but" he said "$3,000, we will be a lot of numbskulls if we let the bank get away from us, and the double liability called on". He said "I will tell you who I would like you to get; I would like you to get Rory McLennan." "I have the Colonel on my list, and I am going down; and so I left I think on the early morning train at 4 o'clock and I came through here, and went right through to Cornwall and interviewed Colonel McLennan and got his subscription for $5,000, and 10% payment, $500.

Q. Using Major Beattie's name? A. Yes. I says "I was in London last night and Major Beattie spoke of you".

Q. Can you give us the date of this, because I have a letter here and I want to see if it is prior or subsequent to that? A. They are all dealing around about March, April or along there.

Q. 1906? A. Yes.

Q. The Major says he was telephoned to and spoke to Travers over the telephone, and mistook him for some other Travers, and he says he saw you the following morning? A. Yes.

Q. These letters you have are subsequent correspondence with him in March or April, 1906? A. Yes.

Q. Would this letter be correct to W. R. Travers? A. Then he commenced to draw away; but in the first place he agreed and his name had gone to the people.

Q. I am not interested in that? A. I am only interested that I do not want any person to think that I went out and put names on on my suggestion on the prospectus without any authority.

Q. Listen to my side of the story: I do not know or care whether you had any arrangement with any of these Directors whose names are mentioned in the prospectus; all I am interested in is whether on the 27th November, 1906, they could properly be handed into the Government as people who had consented to go on the Board? A. I did not know anything about that.

Q. Would this be right; this is Major Beattie's letter to Mr. Travers, dated 16th August, 1906: "I am somewhat surprised at your letter. It is fully one month since I wrote Mr. Lindsay that I could not see my way clear to accept seat on the Board; and some ten days ago he was in London, when I repeated the same to him in person. Yours truly, Thomas Beattie". Would that statement be correct? A. Yes.

Q. Therefore on November 27th, 1906, he was not a person who then was willing? A. I would not say so in view of that letter.

Q. Will you say with regard to these other gentlemen that you say galloped to safety whether on the 27th November they had agreed to it? A. I have no idea whatever.

Letter from Major Beattie to Mr. Travers, 16th August, 1906, filed as EXHIBIT 29.

MR. COMMISSIONER: At the time you took the subscriptions, had you the prospectus with you. A. Yes, sir.

Q. At that time had these gentlemen you say had promised to become directors of the company, any of them intimated their change of mind and they desired not to be directors? A. No.

Q. In other words when you were carrying that prospectus about and showing people, had you been informed that any of these gentlemen whose names you mention had decided not to become directors? A. Not to my knowledge; the prospectus ran out about along the middle of the summer and they did not have any more printed.

Q. In this letter of Major Beattie's (EXHIBIT 29) he says about a month before he wrote Mr. Lindsay, that is probably July he communicated with you? A. Yes. The heavy end of the stock was placed by that time.

Q. You did not mention Mr. Ivey's name? A. On the 16th March, 1908, I wrote to Mr. Calvert: "Your name has been inserted on the list of directors of this bank with the following gentlemen: The Honourable Mr. Forget, Major Beattie, London; Thomas Charlton, H. J. Anthes, W. S. Calvert, Colonel Munro, Hon. A. G. McKay, George H. Neely, M.P.P., Thos. Urquhart, B. N. McLeod, Parkhill; John Ferguson, M.D., Toronto. Now, if Mr. St. Denis Lemoine of the Senate, will subscribe for $10,000 I will also have him put on the Board. This I can arrange, and would like to have his decision by wire Saturday, as they are holding the printers for his answer, at my request. See him upon receipt of this".

MR. COMMISSIONER: Did you get any answer to that? A. No, sir, but I was in Ottawa a short time afterwards to look up St. Denis Lemoine and was there and talked it over several times.

Q. With what result? A. With the result that there was not anything said by Mr. Calvert about getting out; I never got any reply; and I wrote the same letter to D. N. McLeod, at Parkhill—I called him by phone, and he was quite enthusiastic and he went out and even got his father-in-law through another agent.

MR. HODGINS: Since the writing of that letter to Mr. Calvert, did you up to the end of November, 1906, hear of his withdrawal? A. No.

Q. How did that apply to Hon. A. G. McKay, had he agreed? A. Yes.

Q. And had he withdrawn to your knowledge up to November, 1906? A. Not to my knowledge.

MR. COMMISSIONER: Mr. Lindsay, if you desire to give any explanation or make any statement with regard to these matters, so far as they are relevant you will have an opportunity of doing it when we meet at half past two.

The Commission adjourned at 1 p.m. to 2.30 this afternoon.

The Commission resumed at 2.30 p.m., March 21st, 1912, at Osgoode Hall.

WILLIAM J. LINDSAY examination continued:—

MR. HODGINS: There are some documents in connection with Mr. Lindsay I would like to put in. Three letters in July and August, 1906, between Mr. Travers and Mr. Lindsay and Mr. Travers and Mr. Spence, who was your solicitor at that time? A. Yes.

Q. I put those in, they show the position in August.

Three letters, one Travers to Lindsay of the 28th July, 1906, and two from Travers to J. H. Spence, dated respectively August 23rd, 1906, and August 25th, 1906, filed as EXHIBIT 30.

Q. This is your agreement with Mr. Travers in August, 1906? A. Yes.

Agreement dated (blank day of August, 1906, between Travers and Lindsay, filed as EXHIBIT 31.

K. It does not bear any specific date in August; would it be after that correspondence? A. Yes.

Q. This batch of correspondence? A. I think that belongs to the suit that is now pending, and I had no advice on it, but I do not think it should go in here; I think it is irrelevant; I do not know.

Q. You are suing the bank and you want to have access to these?

MR. COMMISSIONER: Whose documents are they now?

MR. HODGINS: These documents are handed to me by the liquidator.

MR. COMMISSIONER: They are not in Mr. Lindsay's possession? A. No, sir.

MR. COMMISSIONER: You can get access to them? A. It would seem almost as if you were trying that case here.

MR. HODGINS: No, not trying the case at all here; just dealing with the position in 1908, under the agreement— A. Under the agreement which I am suing under.

Batch of correspondence between Travers and Lindsay, in 1908, filed as EXHIBIT 32.

MR. COMMISSIONER: Now, if you desire to add anything you are at liberty to do so? A. Immediately after that writ with all the allegations in it of fraud and misrepresentation there is an apology which should be in these papers from Mr. William Laidlaw, acknowledging the fact that after having seen all the subscriptions in question of his clients, that he was misinformed, and that they were all in good order and had not been altered in any way whatsoever, and he wished to withdraw any and all statements that were derogatory in any way to me. I issued a writ for $25,000 against him, and that was the settlement.

Q. While Mr. Thompson is looking for that if there is anything further you can proceed? A. I do not know of anything further.

Q. Was there any ground for the allegation that these stockholders represented by Mr. Laidlaw made as to the way in which their subscriptions were obtained? A. No, sir. Their subscriptions were all taken and in fact many of them, some of the parties who were included in that writ, had never given Mr. Laidlaw instructions to join them in it.

Q. As they told you I suppose? A. And they almost some of them practically took the stock themselves, almost asked for it.

Q. I did not find Mr. Menzies' name in the list of shareholders, not this Menzies that you say took $40,000; when did he subscribe? A. Some time after the organization of the Bank, I think in the spring.

Q. Ought his name to appear in the published list? A. It would be in the following year.

Q. It would be 1907? A. Yes, in the spring of 1907, I think he came in during the time I was in England.

Q. Did he pay anything? A. He had his certificate and showed paid up $40,000. He first gave his cheque for $3,000.

Q. You do not know the facts? A. Yes, sir, he told me; I saw the facts embodied in his letter from the General Manager.

Q. Was that paid-up stock then? A. Yes.

Q. You said something about the failure of the Ontario Bank and another bank, you did not finish? A. The Ontario Bank failed some time along about

the middle of October, 1906, I think it was October and after that time everybody got scared so far as bank shares were concerned.

Q. What bearing has that upon the matter you were testifying as to? A. That was one of the features that brought about the dissatisfaction of the shareholders around Milton which caused the issuance of this writ.

Q. You spoke of another bank, what bank? A. The Sovereign Bank failed. I was in England in 1907, and if I remember correctly it was either in April or May or thereabouts that the Sovereign Bank failed, when the balance of the shares, the Prospectus and everything, was ready to launch there to raise the balance of the stock, and they had to withdraw or withhold.

Q. The balance of the Farmers Bank stock? A. Yes.

Q. Was any of the Farmers Bank stock sold at a premium? A. Yes, sir.

Q. Do you know what amount? A. Offhand I should say somewhere around the neighborhood of $80,000 to $100,000, I am not sure.

Q. How late? A. I was selling it up to January, 1908; whether I sold any in February or not I am not quite clear.

Q. With regard to the 500 shares that you subscribed for, I understand your idea was that Mr. Menzies would take thirty or forty thousand dollars of that, and the remainder what? A. I intended holding a portion of it myself, and I had some other parties whom I had promised to.

Q. Had the opportunity that you supposed you had of taking that stock at par special value in your eyes? A. Yes, sir, in consideration of the fact that all the balance of the stock was going to be sold at 125.

Q. What was the advantage you were getting? A. Not any further than what I decided to hold myself, it would cost me $100 a share, and on the other hand it afforded Mr. Menzies the opportunity of getting his at the same price which I had promised him.

Q. Instead of paying the premium? A. 125.

Q. You were getting in, as it is popularly said, on the ground floor? A. Yes.

Q. You said you wanted to take part of the stock and that Mr. Travers would not allow you to do it, what was the reason? A. To transfer a part of it.

Q. To transfer it to your nominees, what was his reason? A. He said that the directors would not permit of it.

Q. Why, what was the reason, that you ought not to get stock at par, or what? A. No, that was all that was said.

Q. What did you understand it to mean, if he was looking for subscriptions why would not he be glad to get somebody to take it? A. He was getting them any how, no matter whether that was taken or not. Then later on, it was just about the time that he went to Winnipeg or got into negotiations with some people in Winnipeg and took the balance of the stock out of my hands entirely.

Q. Was your idea that with what Mr. Menzies did not take, if he took what was talked about taking, that you could place that at 125 and make the difference yourself? A. Yes, or place it with my friends that I had promised at par.

Q. And give them the benefit of getting it at par? A. Yes.

Q. You have contradicted several gentlemen who have been examined here as to their having promised to become directors here; is it not quite likely that you looked rather optimistically at what they said with regard to joining the bank? These gentlemen all say they had it under consideration, you had approached them, they were considering it, and you had said that if they took the stock they would be on the Board; they never did consent, the furthest they went was to take it under consideration; is not that more probably what the position was than a definite promise by these gentlemen to allow you to use their name? A. Well, I at once in each case wrote to each gentleman when the Prospectus was out and confirmed it.

Q. Did you write to Mr. McKay? A. Yes.

Q. You did not say that before? A. I wrote to all of them, I said, the same style of a letter as I wrote to Mr. Calvert.

Q. You see these gentlemen have not subscribed at all, they were not shareholders? A. The idea is this, they asked how much they would have to subscribe. "$3,000". "When"? "When you take your seat at the Board; before you can be a director you have to pay up in full in cash thirty shares."

Q. You do not differ very much from most of the canvassers for stock who take a pretty rosy view of every half promise they get, do you? A Yes. I am.

Q. A little more conservative? A. I think so. I knew these men, had known them for some years.

Q. At all events you desire to be acquitted of any intention to mislead with regard to it? A. Yes, quite so; there was not any intention as far as I was concerned, that is when I went to any of them, and I was in touch with them—I went over to Tonawanda—Mr. Thomas Charlton who had signed for thirty shares on conditions that he was elected a director, he went over to Buffalo with me and interviewed some parties there. Mr. D. N. McLeod of Parkhill, I had known him possibly for 25 years, and all I had to do was to call him up and he said "Yes, all right", and he got his Prospectus in the same way, and when the man went up there he went out and interested a number of his friends.

Q. Did these letters that you wrote to these gentlemen, Mr. Calvert and the others, call for an answer? A. No, they were all just the same as this one I read this morning.

Q. Was that put in?

MR. HODGINS: No. I would like to see that letter to Mr. Calvert? A. (Produces letter). I was in Ottawa in touch with him for several days.

Q. It speaks of a reply from Mr. St. Denis Lemoine in that letter; have you the letter to any of the others just telling them that they were on the Prospectus? A. I don't know whether there are any of the others or not.

Q. Have you a copy of the letter to Mr. McKay? A. No, I do not know how that one happened to get in amongst the Bank's stuff.

MR. COMMISSIONER: This is your own? A. Yes.

Q. You said got among the Bank's stuff, what do you mean about that? A. In the suit for commissions.

MR. HODGINS: That bears Beatty Blackstock's stamp? A. It was in the suit.

MR. COMMISSIONER: In the prosecution? A. Yes, from Mr. Blackstock's brief.

MR. HODGINS: Where did you get this from? A. I don't know.

Q. How did your counsel get it? A. Amongst my papers, and I don't know where.

Q. How would he find it? A. Very likely Mr. Cameron took it, of Messrs. Masten, Starr, Spence & Cameron.

Q. Will you enquire? A. Yes, I will try and get it.

Q. You said Mr. Starr had that letter from Mr. Laidlaw? A. I have telephoned to Mr. Starr and to Mr. Hugh Rose and they are going to try to send up the letter right away.

Q. I would like to get it, I have read something, and my idea was that that letter is entirely confined to some charge that was made that the subscriptions had been altered.

MR. COMMISSIONER: That is what he said, that he withdrew that.

MR. HODGINS: It did not deal with anything else than that, is that the letter you refer to? A. Yes.

Q. I think that ought to be produced, I would like you to let me have it.

MR. COMMISSIONER: Do you agree with Mr. Hodgins that it was confined to the statement that these documents had been altered? A. I do not know just, I think so.

MR. HODGINS: However, the document will speak for itself? A. Yes.

Q. It was an action brought against the World and Mr. Laidlaw? A. I don't think the 'World' was included I think it was just Mr. Laidlaw.

Q. Were not all these subscribers known as the Laidlaw subscribers called as witnesses in the prosecution against you? A. No, sir.

Q. Were any of them? A. Some of them were I think.

Q. Were they questioned as to misrepresentations? A. Yes.

Q. I thought that was the case and I wanted to know? A. Yes, there was one of them said he understood he was getting 25 shares for $250.

MR. HODGINS: I proposed to go on with Mr. Travers' examination, but, just as he told me yesterday, he is very anxious, in fact insists upon seeing Mr. H. H. Dewart, K.C. before giving evidence.

MR. COMMISSIONER: Mr Dewart is in town, and has been all day.

MR. HODGINS: Mr Dewart has been in town and Mr. Travers has seen him so he tells me, for ten minutes, but Mr. Dewart will not be able, according to the message given to me by his partner Mr. Hodgson, to see Mr. Travers until Saturday. He wants to have as he says a couple of hours conversation with him. I do not profess to know why he wants to see Mr. Dewart.

I do not think we need go into it; if Mr. Travers does not want to be examined until he has seen Mr. Dewart, and you do not want to press him, there is nothing to be done but to adjourn.

MR. HODGINS: I do not think I can press him until he has seen Mr. Dewart. I do not think there is anything to go on with today or tomorrow, until the next sittings.

MR. COMMISSIONER: I do not suppose Mr. Dewart thinks he has any status here.

MR. HODGINS: I do not think so.

MR. COMMISSIONER: Is Mr. Clarkson preparing us a statement showing exactly, from the books of the bank, how the provisional expenses were made up?

MR. HODGINS: Yes.

MR. COMMISSIONER: How much stock was actually paid for and by whom paid?

MR. HODGINS: Yes.

MR. COMMISSIONER: With the details of the disbursements?

MR. HODGINS: I will be able to give all that after we have had Mr. Travers in the box, and in the interim I am going to have copies which can go in by themselves. At present they are part of a much larger book.

MR. COMMISSIONER: Do any of these items require independent investigation, or is Mr. Clarkson giving us exactly what the books show? Is it from the books and from some information he has derived outside as well?

MR. HODGINS: That I am not quite sure of.

MR. COMMISSIONER: Because if it is the statement should be so marked, so that we can see what the books show and what he has ascertained outside, if there is anything.

MR. HODGINS: That is why I though of taking Mr. Travers evidence, and that will practically give us most of the facts upon it, and then Mr. Clarkson can speak of what the books show.

MR. COMMISSIONER: You are not going to examine Mr. Travers at present except upon the first two questions which form the subject of the enquiry.

MR. HODGINS: That is all.

MR. COMMISSIONER: Not going into the general question.

MR. HODGINS: Not yet.

The Commission adjourned at 4 p.m. until 11 a.m. Wednesday, March 27th, 1912, at Osgoode Hall, Toronto.

Toronto, March 27th, 1912.

The Commission met at 11 a.m., and adjourned to May 13th, 1912, at 11 a.m., at Osgoode Hall, Toronto.

Toronto, May 13th, 1912.

The Commission met at 11 a.m., at Osgoode Hall, and adjourned until 2 p.m., and further adjourned until 11 a.m., May 14th, 1912.

Toronto, May 14th, 1912.

The Commission continued its sittings, at Osgoode Hall, at 11 a.m.

PRESENT:—

THE COMMISSIONER, HONOURABLE SIR WILLIAM MEREDITH;
FRANK E. HODGINS, K.C., and J. THOMPSON, K.C., representing the Dominion Government.

Owing to some misunderstanding Mr. Travers was not present, Dr. Chambers, Governor of the Toronto Jail, requesting that an Officer be sent to the Jail for Mr. Travers. Arrangements were made to do so, and the Commission adjourned until 2 p.m.

The Commission resumed at 2 p.m., May 14th, 1912.

WILLIAM G. MITCHELL, Sworn, Examined by—

MR. HODGINS: You are a member of the firm of W. G. Mitchell & Co., Brokers, Toronto? A. Yes, sir.

Q. Are you brokers for the Trusts & Guarantee Company? A. We generally act for them.

Q. You produce here a copy of your ledger showing three items, December 6th, 7th and 17th, 1906? A. That is correct. This is a copy of our ledger.

EXHIBIT 33—Copy of ledger account of J. J. Warren, with W. G. Mitchell & Co.

Q. Would you just explain those entries; they appear to be in each case a cheque marked "Traders Bank", apparently received by you and a cheque paid out marked "Trusts & Guarantee"? A. One day Mr. Warren called me on the phone and said, "We are receiving some money to-day from a customer. He is rather anxious that the bank on which these cheques are drawn, and I am not quite sure but what he said the Clearing House, should not know where they go to, to whom they are paid or to whom the money goes; have you any objections to our sending you over cheques, or having these cheques made payable to you?—The cheque will be marked good,—and you just hand the boy out your cheque for the same amount"? I said "why certainly, it does not make any difference to us".

Q. Who is Mr. Warren? A. He is the Manager of the Trusts & Guarantee.

Q. Was this prior to the date of these entries? A. Just the same date as each of these entries would come; that is he called me up on the following dates and said: "I am sending you over another cheque the same as the last".

Q. What cheques were these you received? A. I did not know anything about them; I did not know what they were for or who they were for; I did not ask any questions. The cash book clerk when the cheque came in he said he could not quite read Mr. Travers' signature, he was not familiar with it, and he just put in "cheque Traders Bank".

Q. The cheques were paid to you? A. Payable to W. G. Mitchell & Co.

MR. COMMISSIONER: Drawn by whom? A. It was Mr. Travers' cheque.

Q. Individual cheque? A. I could not say that; the cheque was drawn on the Traders Bank; I never saw the cheque till here a few months ago. The cheques are just put with the office stamp on the back and put right into the bank.

MR. HODGINS: Did you get the cheques mentioned there in that way? A. Yes; those cheques came into our office, and were just endorsed over to our own bank and put through in the regular way.

Q. Are those dates correct, December 6th, 7th and 17th? A. No doubt you will see on the backs of those cheques the bank's stamp and the dates they go in.

Q. Are they correct so far as dates you receive them are concerned? A. Yes.

Q. Did you pay over your cheque to the Trusts & Guarantee Company on each occasion? A. The same boy who brought the cheque in took our cheque away.

Q. And that is all you know about it? A. Yes, I did not know it had any connection with the Farmers Bank until later, quite recently.

W. R. TRAVERS, Sworn, Examined by—

MR. HODGINS: You were General Manager of the Farmers Bank? A. Yes, I was.

Q. From the time it began operations until its suspension? A. Yes.

Q. And you had a great deal to do in getting it up? A. Latterly, yes; not from the time that the charter was authorized.

Q. Did you and Lindsay take over the charter? A. No, Lindsay had nothing to do with that; Lindsay was working for me.

Q. You had made an arrangement, had you, about taking the charter over? A. I made an arrangement with the provisional board by which I should organize the bank and become its Manager.

Q. You were to do that for the provisional board? A. I was to get sufficient stock subscribed to complete the requirements of the Bank Act.

Q. That was some time in 1906? A. It was March 12th, 1906, that I entered into the arrangement with the provisional board.

Q. That arrangement then continued for some time, did it not? A. It continued till the permanent board was elected in November, 1906.

Q. You had a written agreement with the provisional board? A. I had.

Q. In March, 1906? A. Yes.

Q. And you had another one later, as I understand it in July, 1906, with the provisional board? A. Yes.

Q. At all events from March till July you acted under the March agreement? A. Yes.

Q. Lindsay says he began work in about April, 1906? A. Yes, I should think he did.

Q. Had you known him before? A. I met him casually in a house where I was staying in.

Q. And you made an agreement with him? A. I did.

Q. In fact made two or three I understand from what I have seen? A. I made an informal agreement with him which was cancelled afterwards by a regular agreement drawn up by a solicitor, I think in July or August.

Q. This will probably be it (Exhibit 31)? A. Yes, that is the agreement.

Q. And that will be the one under which you say he worked? A. Yes.

Q. That the net commission after payment of expenses and sub-agent's commissions on any and all stock placed by either you or him be equally divided between both of you? A. Yes.

Q. "This agreement to include all stock now placed since March 12th, 1906, and to be hereafter placed up to the first $500,000 of the capital stock of the said Bank." The 12th March, 1906, was probably the date of your first Lindsay agreement? A. About that, I could not say what date it was.

Q. Then it provides, that so soon as your contract with the bank is confirmed by the permanent directors, or you accept the office of General Manager, a contract for the selling absolutely of the second $500,000 of stock at a commission of 10% on the amount sold, payable 5% when first payment is made, 5% when stock is allotted, stock to be sold at such premium and on such terms of payment as the Board may determine—that provides that you shall obtain for him an arrangement after you had become General Manager to sell the balance of the stock? A. Yes.

Q. Generally speaking that was the situation? A. Yes.

Q. Did you and he start in to get subscriptions? A. We did.

Q. And had you trouble with Lindsay? A. I had trouble over some people complaining about their subscriptions, yes.

Q. How extensive was that? A. I could not say exactly, there were a great many of them, particularly after Mr. Laidlaw brought a suit to endeavour to dissolve the institution.

Q. That suit was not brought till October, 1906, you know, that is about the time it is all completed? A. There were some complaints before that, I could not say offhand what they were.

Q. Were they extensive at all? A. There were a number of them, I could not say how many.

Q. I do not want to go into the details, what was the substance of the complaints being made as affecting subscriptions? A. There were various complaints made, some said that they were promised and guaranteed a large dividend, and they had found out that it would be impossible to pay a large dividend the first few years. Others said that their subscriptions were taken under misrepresentations; and I cannot remember exactly what the other complaints were.

Q. Were any of the complaints respecting the taking of subscriptions under a misapprehension, believing that they were signing for a Branch to be opened? A. I hardly think at that time those objections would have been raised.

Q. What do you say down to the time say of the Laidlaw suit was the situation of the subscriptions, taken by Lindsay? A. I do not exactly understand your question.

Q. Were you familiar with the subscriptions? A. I was.

Q. Was Lindsay taking them in the country and sending them in directly to you? A. He was.

Q. And reporting from time to time? A. He was.

Q. And you I suppose were anxious to see that the subscriptions were got? A. I was.

Q. Will you say, seeing what you knew about the subscriptions, whether you understood there was trouble, dissatisfaction, say up to the time when Laidlaw brought his suit with regard to the subscriptions taken by Lindsay? A. I knew that there were a number of people who were dissatisfied with their subscriptions.

Q. For the reasons you have given us? A. As far as I can remember, yes.

Q. Did you make Lindsay acquainted with those? A. I did.

Q. Was he as familiar as you were with the complaints made down to that time? A. Everything I knew he knew.

Q. Was he in town continually or did you usually correspond? A. He usually came in about Friday night of each week.

Q. And what would he say regarding the subscriptions, what would he and you do? A. He would hand the subscriptions over to me and we would look them over and talk them over, and the following day they would be registered in the books and he would call at the office and get a revised list of the subscribers up-to-date.

Q. Then down to the time when Mr. Laidlaw brought his suit to what extent had he and you got subscriptions taken up? A. I could not exactly answer that question offhand.

Q. Was it pretty nearly finished? A. Yes, nearly finished; I could not say exactly how far it was, though; the books would show that.

Q. Would you say there were probably 100 people involved in complaints about Lindsay's subscriptions? A. I could not say there were 100 people involved, I could not answer that as directly as that.

Q. Not to an exact number I suppose? A. No, I would not think there were near that number.

Q. How many would you put it at? A. There might have been fifty of them; half of that number.

Q. Was anything done by Lindsay to remove the difficulties which had cropped up down to that time? A. No particular move. Lindsay would say he would call on these people again and straighten it out.

Q. I suppose you could not give me at all offhand probably till I have given you something to refresh your memory what subscriptions those were? A. I could not now, at the present moment.

Q. Were you aware that quite a number of the subscriptions were conditional subscriptions? A. I was.

Q. Had they been so reported by Lindsay? A. They were; they were generally marked right on the applications themselves.

Q. Would you be good enough to look at that letter of the 7th December, 1906, which is signed by you? A. Yes, I remember that (Exhibit 24.)

Q. The middle sentence there, you will see what that says, that it was understood of course—A. "That a certain amount of stock now on our books which has to be replaced could be done so by you at par."

Q. "Which has to be replaced", to what did that refer? A. It referred to a subscription of Mr. A. H. Hoover's for one thing, $5,000, and a subscription of a man named Davidson of Flint, Michigan, for $5,000; another one, a man named Smith at Flint, Michigan, for $5,000; one of Honourable Mr. Forget of Regina, for $5,000; I cannot go much farther.

Q. Did that refer to Laidlaw's subscriptions? A. Yes. I think I had those in mind when I wrote that letter.

Q. Had you in mind any subscription of any of the McCorquodales? A. No, I don't think Lindsay had anything to do with those McCorquodale subscriptions.

Q. These were what Lindsay had to replace, were they? A. These that I have mentioned just now are the chief ones that I remember he had to replace.

Q. Was he to replace them because he and you had agreed that those subscriptions must be put right? A. Not altogether; he had nothing to do with some of those; the Forget subscriptions, for instance, which was on the books, he had nothing to do with.

Q. That was got by you, was it? A. No, that was got before I took charge of the institution.

Q. The others were got by him? A. Yes.

Q. "A certain amount of stock now on our books which has to be replaced could be done so by you at par"? A. Yes.

Q. The statement that you have made I would like to ask you if it is correct: "I said there were numerous letters on file making complaints about the way he got them"—that is Lindsay—"but that in my visits around the country I had run across I said perhaps 100 people who had said their stock was got by fraud and deceit and everything else". Then you go on further: "After the bank was organized Lindsay got subscriptions around Kerwood, etc"—would that statement be correct? A. Not altogether.

Q. How do you qualify it? A. The statement I made there that I was around about the country would refer more particularly to the time after the bank had opened for business when Lindsay—I had been out through the country, but I could not say there were 100 people then complaining.

Q. Can you say what subscription was referred to, when had they been got? A. They were chiefly those that were taken after the organization of the bank and were around about in the neighborhood of villages where we intended to open branches.

Q. I did not perhaps read you the whole of it; I thought perhaps it was not necessary. You say: "In my visits around the country I had run across I said perhaps 100 people who had said their stock was got by fraud and deceit and everything else. After the bank was organized Lindsay got subscriptions around Kerwood and several other places" (naming them) "by saying, We, the undersigned hereby agree to subscribe for the number of shares in the Farmers Bank of Canada and on the terms of the application herein, and then the application was pasted there; and this was ruled for the number of shares and his address and a column for the witness. A considerable number of people told me that when they signed that it was folded down, that they were signing an application to establish a branch bank". You were referring I thought to two classes of subscriptions, those got before and those after; what do you say about that? A. I would have to change that a little and say I could not say there were 100 people prior to the organization of the bank that complained; there were letters on file there, but how many I do not remember.

Q. I think you said Lindsay knew of these complaints just as well as you did? A. Yes, I really believe he did.

Q. Coming down to the time of the Laidlaw difficulty I think some one said that the writ was issued and was not served until after the first deposit of $150,000 had been made, do you remember how that was? A. The first $150,000 had been deposited through the Bank of Montreal with the Finance Minister at Ottawa in accordance with the Bank Act. The writ was issued at the closing hour one Saturday, at Osgoode Hall, and the first notice I had of it was when it appeared in the Sunday 'World,' the next morning in its entirety.

Q. You say the $150,000 had been then deposited? A. $150,000 was up then, deposited then, I should say.

Q. Those subscriptions known as the Laidlaw subscriptions, were those a difficulty in your way at once? A. They were.

Q. And what steps were taken to get rid of the writ? A. We bought off Mr. Laidlaw's clients.

Q. Who undertook that part of the work? A. Mr. Lindsay went out in the country and got the transfers of the stock and paid over the money.

Q. And that was done very promptly, was it not? A. Done over night, I think.

Q. The deposit I think of the $150,000 was made on October 16th, and the dismissal of the action took place on October 27th, that would be 11 days afterwards; see if that letter is one of the letters which you wrote after the action was

disposed of? A. Yes; I remember writing that letter; I think that was in reply to either a written or verbal request from somebody demanding his notes back.

Q. Would a similar letter be written to the other shareholders? A. No, I do not think I wrote to any of the others; I remember that one because I had a fuss with that one.

Q. I suppose those statements would apply to them all that you made in this letter; Dixon was treated just as all the others were treated? A. The others had not given notice, I do not think they had given notice; there might have been one or two of them, but the majority of them had paid the cash 10% deposit upon their subscriptions.

Q. All those who had not paid would be treated just the same as Dixon? A. The understanding with all those shareholders was that they should be relieved of further responsibility.

Q. That is what I say. This is the clause in the letter: "You will understand, however, that you are relieved from all responsibility under your application for 50 shares of stock in this bank, and while we regret that you are not now one of our subscribers we are pleased that you are entirely satisfied". A. Yes, that would apply to that.

Q. That was the basis of the arrangement? A. Yes.

EXHIBIT 34—Letter 27th October, 1906, from W. R. Travers to W. A. Dixon, of Milton.

Q. That removed that difficulty from the way? A. Yes, that removed Mr. Laidlaw from taking any further steps to apply for a winding-up order.

Q. There was nothing then to prevent you going on and completing your organization? A. Nothing then, no.

Q. At the time the Laidlaw writ issued had the notice been given for the meeting of the permanent directors? A. I could not say positively as to that, it was near that time, the 26th October—no, I think that was the 19th October, was it not, the writ of Laidlaw, but I do not think the notice was put in till the following week.

Q. That having been got out of the way there was no further difficulty in the way of organization? A. Nothing then, no.

Q. I suppose you had not positively $150,000 with the Bank of Montreal until you had got enough shares subscribed to make up the $500,000? A. No, I do not think we had the $500,000 at the time that I deposited the $150,000.

Q. You must have been pretty close in sight of it? A. We were very close to it, but I could not tell you what it was.

Q. There is a letter which has been put in showing, if I recollect the figures right, that you had something like $489,000 subscribed? A. Yes, I saw that letter in the other Court.

Q. That is to Mr. Lindsay; would that remind you about how near you got to the point? A. I could not say positively, but when that letter was shown to me in the other Court I was doubtful about the figures.

Q. It was your own letter? A. Yes.

Q. What made you doubtful about the figures? A. I don't think we had that much.

Q. But you wrote and said so? A. I did.

Q. What made you doubtful? A. I saw the books after that and I was not quite sure, and I am not sure yet whether we had—

Q. You saw the books shortly after writing that letter? A. No, when the trials were on at the other Court.

Q. After the bank had failed? A. Yes.

Q. You had not any doubt about it at the time? A. At the time I was quite sure it was right.

Q. And that $489,000 would include these shares that there had been difficulty about? A. Yes.

Q. You finally got the money and deposited it in the Bank of Montreal and got a receipt? A. Yes.

Q. Having done that what was the next thing to be done? A. The meeting of the subscribers.

Q. The meeting of the subscribers would come as soon as you had made the deposit in the bank, would that be the time to give notice? A. Thirty days after deposit had been made after due notice was given in the local newspapers.

Q. Your meeting was on the 22nd of November? A. The 26th, I think.

Q. So that the deposit would have been made thirty days prior to that? A Yes, between the 22nd and the 26th October.

Q. And that meeting was duly held? A. It was.

Q. Did Lindsay attend it? A. No, I don't think he did, I could not say positively.

Q. By the way, did he charge you a fee for getting those Laidlaw subscriptions out of the way, as far as you know? A. I did not understand it at the time he was to charge anything.

Q. He did not attend the meeting you think? A. I don't think so, I could not say positively; my recollection is that he was not there; the minute book will show every person who was in the room.

Q. Were those who attended all *bona fide* subscribers? A. I thought so.

Q. And at the meeting I understand you and I think some one else, Dr. Beattie Nesbitt, voted by proxy, did you not, for a large number of subscribers? A. I did; I cannot speak off hand as regards Dr. Nesbitt.

Q. You did at all events? A. I do not think there were any proxies in his name though.

Q. How had you got proxies from the subscribers? A. The application form contained a clause in it appointing a proxy; there was a blank left there to fill in a name, and I filled in my own name in a great many cases, and in others there were other people filled in.

Q. A large number of these subscribers had subscribed while the provisional directors were in office, in fact all of them? A. Yes.

Q. And I suppose before you took hold at all the subscribers with the provisional directors had given powers of attorney, had they not? A. Yes.

Q. That is in all those as well as those Lindsay and you had got taken up that you filled in your own name? A. No, it was only those I took after I took charge of the Bank.

Q. Who was proxy for the others? A. C. H. Smith, if I remember right.

Q. He was secretary of the provisional directors? A. Yes.

Q. And was one of them? A. No, he was not a director, a hired servant.

Q. A hired servant of the provisional directors? A. He was.

Q. He, however, participated with them in the amount that they got from you? A. I believe he did.

Q. And you and C. H. Smith then would have had enough votes at that meeting acting on all those proxies to carry anything you wanted? A. I had enough to carry anything I wanted.

Q. And you exercised that power and carried what you wanted? A. I did.

Q. After the meeting what was the next step? A. The next step was to take a list of the subscribers together with an affidavit verifying the same, and the evidence of the notice of the calling of the meeting by way of copies of newspapers, and wait on the Finance Minister requesting a certificate.

Q. And that was duly done? A. Yes.

Q. You took Mr. Hunter down? A. I did.

Q. The solicitor of the bank? A. He was.

Q. And your visit to Ottawa was a short one? A. No, it lasted a week, nearly so.

Q. Mr. Hunter did not wait? A. No, he waited there two days and then went home and left me there.

Q. He settled with Smith too? A. Yes.

Q. He was there while that was being done? A. Yes.

Q. How many days were you and he down there together? A. About two days.

Q. Then he left? A. Yes.

Q. After Smith was settled with and came home? A. Yes:

Q. Did he return at all? A. No, he did not.

Q. And you got the certificate? A. I got it the end of the week after he went away; I don't remember, I think it was Friday I got the certificate.

Q. You went down when? A. I went down the early part of the week, I could not say exactly what date it was.

Q. You, I think, had to wait, had you not, in Ottawa for a time before you were able to see the Finance Minister, Mr. Fielding? A. We first saw the Deputy Finance Minister, Mr. Boville, and at that time Mr. Fielding was preparing his budget, and he could not see us for a day or two.

Q. That is what I say; when did you finally see the Finance Minister? A. I saw him two or three times.

Q. Notwithstanding the preparation for the Budget? A. Later on in the week, not in the early part.

Q. On one day or more than one day? A. I think I saw him twice in one day, I am not sure.

Q. That is all you saw him, was it not, just a couple of times? A. My recollection is I saw him three times.

Q. On the same day? A. No, twice on one day and once on another day.

Q. Once on the following day to the two interviews? A. Yes, I saw him one day once and the second day twice, or the first day twice and the second day once; I cannot remember exactly.

Q. Would your statement to Mr. Hunter be right that you got your certificate in 20 minutes? A. After I had satisfied Mr. Fielding, the last interview lasted about 20 minutes when he gave orders for my certificate to be issued.

Q. That was the last interview? A. Yes.

Q. After you delivered your letter to him in reply to his? A. I followed the letter; I sent it over by messenger.

Q. After you had delivered your letter to him in response to his? A. Yes.

Q. Your interview lasted 20 minutes? A. I would say about that.

Q. And at the end of that time you got your certificate? A. Yes.

Q. And came away with it? A. Yes.

Q. Were you requested to return it later on? A. I was not.

Q. By Mr. Fielding or anybody else? A. Never had any hint of such a thing.

Q. Until you got this certificate I suppose no moneys could be paid to anybody? A. Well, as a matter of fact they were, and as a matter of law I found out afterwards it was wrong.

Q. Did Lindsay, for instance, get any money before the certificate was issued? A. Yes.

Q. Who from? A. From me.

Q. To what extent? A. Could not say offhand.

Q. On what account? A. On account of commissions.

Q. Where did you get the money? A. I got it from the provisional board.

Q. Out of what moneys? A. Out of moneys paid in by shareholders.

Q. I have the minutes here of the first meeting in which it appears that a number were present representing 1,807 shares in person, and that the following subscribers were present by proxy, W. R. Travers, Toronto, 1,333 shares; W. G.

Lindsay, 1,899 shares, and one or two others amounting to 3,401. Who was elected at that meeting as president? A. At the directors' meeting following the subscribers' meeting Dr. Nesbitt was elected.

Q. I am speaking now of the subscribers' meeting.

MR. COMMISSIONER: They would not elect the president.

MR. HODGINS: No, they would elect the directors.

Q. I see you prove the notice of the meetings, appointed scrutineers, and the directors elected were Colonel McLennan, Colonel Munro, Robert Noble, Allen Eaton, W. G. Sinclair, Dr. Beattie Nesbitt, N. M. Devean and John Gilchrist. I see the secretary read the provisional directors' report; was that Mr. Smith? A. No, I was the secretary that time.

Q. You read the report of the provisional directors? A. Yes.

Q. And they reported: "The Board have to report in the first place that they have the sum of $579,200 bona fide subscribed and out of the subscriptions thereon they have paid into the Treasury Department of the Dominion Government the sum of $250,000, and that the expenses of the organization up to date, as far as has been paid by the Board amounts to the sum of $41,291." I have the original report here of Mr. Lown's in which that figure is considerably more; will you tell me how that came to be altered at that meeting? A. There is a difference of $3,000 according to that.

Q. Yes, do you know how that happened? A. No, I suppose there has been some mistake in entering up that amount; I could not tell you now.

Q. Could you tell at what figure that was carried into the permanent books of the bank when it was opened? A. The books would show that; $41,000 it reads there, and $44,000 here (in EXHIBIT 15).

Q. You cannot explain the difference? A. No. Some director may have taken some exception to some item of $3,000 that did not belong there. I could not say what it was.

Q. Following the giving of the certificate what payments were made to Mr. Lindsay? A. I made several payments to him, I do not remember.

Q. Do you remember making a payment to him of $10,000? A. I think there were several payments made to him.

Q. I mean immediately afterwards? A. Yes, I remember issuing a cheque to him for that amount.

Q. Out of what moneys was that money paid? A. Out of the funds of the bank that the subscribers had paid in.

Q. I suppose it could not very well have been paid out of anything else? A. No other moneys to pay it out of.

Q. I will just get you to look at these cheques and see if these were paid and paid out of that amount—would these cheques all have been paid out of that amount (7 cheques)? A. Yes, all these were paid out of the funds that were on hand paid in by the subscribers.

EXHIBIT 35—Seven cheques referred to.

Q. Would you look through these earlier ones for me and tell me which you refer to when you said you paid Lindsay $3,000 prior to this date? A. Part of that cheque, and he got part of that cheque.

Q. Dated May 23rd, 1906, for $3,000? A. He got $1,986 of that.

Q. Is that right? A. Yes, there is a deposit I made to his credit.

Q. Then there is this cheque of June 5th, 1906, for $1,805, of which he got $1,189.50? A. Yes.

These two cheques of May 23rd, 1906, and June 5th, 1905, were made part of EXHIBIT 35.

Q. What became of the $10,000 that was paid; was that paid to you immediately after the certificate was granted, or was it paid to Lindsay? A. I think there were two $10,000 cheques, I do not know if they were paid to Lindsay or not.

Q. Here is a cheque which is EXHIBIT 28, Travers to W. J. Lindsay, $10,000? A. Yes, this was charged up to my commissions and paid to Lindsay. Lindsay drew the cash for it at the bank.

Q. What did he do with it, do you know? A. I want to understand why you ask that question.

Q. Because I think I know what he did with it, and I want you to say? A. I would rather not tell it unless I have to.

MR. COMMISSIONER: What bearing has it on this Inquiry, what he did with it unless that came back to Travers?

MR. HODGINS: It went to a third person, and I want to ask him about it.

MR. COMMISSIONER: Has it anything to do with this Inquiry?

MR. HODGINS: I think so; I think it is necessary to trace up what has become of the money that has gone into the Bank that they got from the subscribers and what was done with it immediately after the charter was issued?

MR. COMMISSIONER: I suppose if you take the responsibility of saying that the question is proper. A. Mr. Commissioner, there might be a dispute over that, and I would rather not answer it. Of course if you say I must I will.

Q. A dispute between whom? A. As to part of that cheque.

Q. As to what became of it? A. Yes.

Q. You might differ from somebody else? A. Yes.

Q. I think you should answer it? A. You think I should?

Q. I think you should, Mr. Hodgins says he thinks it is relevant to the Inquiry? A. $5,000 of that was paid to Beattie Nesbitt.

MR. HODGINS: Q. To your knowledge? A. Yes.

Q. Was the cheque drawn with that intention? A. I thought so, yes.

Q. This is dated December 6th, when was he appointed president? A. On the 26th November, the day of the organization meeting.

Q. And this was charged against your commission? A. Yes. Lindsay had no account whatever with the bank; he was entirely a sub-agent of mine and everything he got passed through my account to him.

Q. There was a check for $6,000 to Lindsay which I am looking for, do you remember that? A. I could not say.

Q. That check (EXHIBIT 28) you say was drawn by Lindsay in cash? A. Yes, Lindsay drew the cash at the bank for that himself.

MR. COMMISSIONER: Was Lindsay asked about this check? A. Yes, sir, I heard him deny the evidence that I was prepared to give.

MR. HODGINS: Where; here? A. Yes, I heard him deny what I would swear to.

Q. What you have stated? A. Yes.

Q. Do you know what that was paid for? A. It was paid for Dr. Nesbitt's stock; he subscribed for $5,000 and afterwards for $5,000 more, and he had some arrangement by which Mr. Lindsay paid his first $5,000, and there was a round about way of doing it to get it squared up.

Q. Had he subscribed for $5,000 or for $10,000 before the organization meeting? A. His first subscription if I recollect properly was $5,000 and then it was changed to $10,000, that is to say one was destroyed and another one put in its place.

Q. What did Dr. Nesbitt do with the money? A. You will have to ask him that.

Q. I thought you said it was paid on his stock; I want to know who got it? A. That was the intention; Lindsay paid the money over to Nesbitt, and Nesbitt paid it over to the bank.

Q. Who did he pay it to? A. I exchanged another cheque of $5,000 with Nesbitt for it.

Q. On what bank? A. That is to my recollection——

Q. On what bank? A. On the Traders Bank.

Q. Do I understand that Dr. Nesbitt brought you in this? A. We were there together.

Q. This money that Lindsay had drawn out of the bank and given to him, did he bring it in to you? A. I was there when it was paid to him.

Q. Where was he? A. In the office of the Farmers Bank on the corner of Bay and Adelaide Sts. upstairs.

Q. And what did he do with that cash? A. Who, Nesbitt?

Q. Nesbitt? A. My recollection is he gave it to me and I gave him back another cheque for $5,000.

Q. On the Traders Bank? A. Yes.

Q. What did he do with that? A. That paid his stock up.

Q. What did he do with the cheque? A. It was passed into the Accounting Department to pay up his stock.

Q. Why did not you pass in the cash? A. We had a reason for not doing it at that time.

Q. What was the reason? A. I do not remember.

Q. It looks to me as if he had given you the money and you had made a cheque which he afterwards got? A. Yes, that is my recollection of it.

Q. And he afterwards got the money on that cheque? A. He got credit for his stock on it.

Q. What became of the money, did you keep it? A. I do not know, I think I used it for some other purpose.

MR. COMMISSIONER: It did not go into the bank. A. No, sir.

Q. You exchanged your cheque for it? A. Yes, sir.

MR. HODGINS: Your own personal cheque? A. No, it was another bank cheque I exchanged for it; that is my recollection. My memory is not quite so good as it was then, but that is my recollection of it. It has been so contradicted that I am puzzled to say what were exactly the facts.

Q. MR. COMMISSIONER: This was $10,000 on account of your commissions practically? A. Yes.

Q. You handed it over to Lindsay, Lindsay cashed it; he must have gone out of the office to cash it? A. He did; he went out to the Traders Bank.

Q. And brought back $10,000? A. Yes.

Q. And gave $5,000 to Dr. Nesbitt? A. Yes, sir.

Q. Which he handed to you, and you gave him the bank's cheque for it? A. For $5,000.

Q. Why the bank's cheque. A. To pass through the Accounting Department, a cross entry.

Q. He just bought a cheque from you? A. Yes.

Q. And that cheque he used to pay up his stock? A. Yes.

MR. HODGINS: That cheque was drawn on whose account? A. On my account.

MR. COMMISSIONER: Which cheque are you speaking of? A. $5,000, another cheque drawn to me for commission.

MR. HODGINS: You say he gave you $5,000 in cash? A. Yes.

Q. You gave him a cheque which you said was a bank cheque? A. Quite so.

Q. Payable to yourself? A. Yes.

Q. And that cheque you handed to him? A. Yes.

Q. And on whose account was it drawn? A. On the Farmers Bank account on the Traders Bank.

Q. What was it charged to? A. To my commissions.

Q. In addition to the $10,000 which Lindsay drew out, there was an additional $5,000 from the Traders Bank? A. Yes, there was $15,000.

Q. $5,000 of that went to the credit of Dr. Nesbitt's stock? A. It did, that is my recollection.

Q. Leaving $5,000 in your hands? A. Yes.

Q. And of course you had kept one-half of the $10,000 yourself? A. No, I did not.

Q. Who had the other half of it? A. Lindsay.

Q. So you got $5,000, Lindsay got $5,000, and Dr. Nesbitt got $5,000 and paid up his stock with it, that is what it comes to? A. Yes, that is right.

Q. Then we will find that $5,000 cheque on the same date? A. You will find it that date or the next day.

Q. Did not you give Dr. Nesbitt your cheque that day? A. Yes, but my recollection is the cheque of $5,000 that was given to Nesbitt was dated a day ahead.

Q. What was the purpose of that? A. I cannot say that.

MR. COMMISSIONER: He suggested that they did not want to show how the transaction took place? A. There was some reason for concealing or for hiding the exact transaction at that time, I don't remember what it was.

MR. COMMISSIONER: I rather gathered that was what the witness meant by a round about way? A. Yes.

MR. HODGINS: It is a fact that not one of your cheques would show anything as to what they were used for, that you never drew a cheque that should tell in any way what it was for? A. No, I did not, not all my cheques, a great many cheques.

Q. All except your grocery and other accounts, did not you make that statement in regard to it? A. Yes, I think I did.

Q. Is it right? A. I should say so, I think to a large extent.

Q. You know how this cheque was payable? A. Yes, my recollection is it was payable to myself.

Q. And endorsed by you? A. Yes.

Q. Was it handed over to Dr. Nesbitt? A. It would have to be handed to him. Why would he give me the money if he did not get the cheque?.

Q. Was it handed? A. That is my recollection, yes, but I am not sure.

Q. Who would be the accountant or person who would get that cheque? A. Mr. Fitzgibbon can tell whether that was the entry made for the stock or not, I cannot tell.

MR. COMMISSIONER: Does the book show that on that day the stock was paid up?

MR. HODGINS: I cannot recollect that for the moment; I will verify that.

MR. COMMISSIONER: Where is the cheque he is now speaking of?

MR. HODGINS: I have not seen it? A. I have seen that cheque a dozen times at the different trials.

Q. It will be produced in due course, but I do not recollect ever having seen it and I have not it here. I will have that cheque you speak of hunted up and all the entries about that.

Q. You had an agreement with these provisional directors at the start, had not you? A. I had.

Q. And you remember a letter being got, don't you, by one of them, from Mr. Urquhart, in reference to the notes being taken for stock subscriptions? A. Yes, I remember a letter coming in from Mr. Urquhart.

Q. That is said to be a copy of it (EXHIBIT 21)? A. I heard Mr. Urquhart's evidence and that was correct.

Q. Do you notice the date of that? A. The 26th June, 1906.

Q. The provisional directors have all been examined and they seem to think it was a perfectly proper thing for you to have made that agreement with them on July 4th; will you just give me the history of it from your point of view? A. Between the time that the first agreement was made with me, that would be on the 12th March and the 4th July everything ran very smoothly until one Saturday that Mr. Lindsay brought in an unusually large number of subscriptions and then they

refused to allot them unless I made a new agreement with them; that was the origin of the second agreement.

Your agreement of March, did that contain the provision that they should allot? A. I do not think so.

Q. Were you to be paid on allotment your commission? A. I was to be paid half on the payment of 10% by the individual shareholder, and the other half when the stock was on allotment.

Q. I see at a meeting of the provisional board dated 23rd June, it was moved by Mr. Fraser, and seconded by Mr. Gallagher: "That instructions be given to Mr. Travers that no notes be accepted in lieu of cash for payment of stock, and that no agent or sub-agent employed by him accept the same, but the conditions set forth in the form of application be adhered to on a cash basis unless otherwise specially ordered by the Board." Were you notified of that? A. I was notified of it, yes.

Q. And I see the letter from Mr. Urquhart is dated after that; was it got in consequence of that notification to you or how did it come to be considered together? A. I think that when they found I was willing to make the new agreement to pay them more money that they were satisfied to get legal advice on it and make it satisfactory, that is my recollection.

Q. They would not allot them the large number? A. They refused to allot them.

Q. What was their objection? A. I cannot say which one of them told me that they would not allot them, one of them certainly did, because I would have control and would put them on the outside.

Q. What is the meaning of that? A. It meant to say I would have the voting power at the shareholders' meeting and could do as I wished; that is what I understood from the conversation.

Q. Is that conversation prior to this agreement of the 4th July? A. Yes, it was.

Q. And was anything further said to you beyond the fact that they would not allot because you would have the balance of power? A. They said they wanted $10,000 on account of the new agreement.

Q. This is before the agreement at all? A. I do not remember anything more than that; there might have been, I cannot recall it just now.

Q. You agree in the agreement to pay them $20,000? A. Yes, half down and half after the bank was organized.

Q. One or other of the provisional directors stated something to the effect that they were much more moderate than you; that you wanted to give them a much larger sum, or that they were entitled to a much larger sum? A. I contradict them all on that point; I heard their evidence here.

Q. What do you say about that? A. I say I was unwilling to give them as much as $20,000, but I was practically forced to do it.

Q. What hold had they on you? A. I would have been down and out, that would have been all the hold they had on me; I could not have gone any further.

Q. This agreement of the 4th July, part of EXHIBIT 12, recites your 12th March agreement and its annulment, and they to allow you to sell what is still unsold, and to allow you 10% commission, and then it makes provision for engaging you at $5,000, which was $1,000 increase over the old one? A. I think so.

Q. And a pension. And then Smith agrees to surrender certain rights he had, and you agree to accept the legitimate accounts as they now stand upon the books for expenses of the organization to date, and to allow the directors and Smith the sum of $20,000 as remuneration for their services, surrender of charter, etc., to be paid out of the funds of the bank, provided the same be confirmed at a meeting of the subscribers; you to have full control of the office of the bank and of all its affairs immediately after the making of this agreement. Up to that time and the making of that agreement was there any agreement between you that you should pay the provisional directors for their services? A. No, I had no say whatever, I

did not attend their meetings, I knew nothing of what was going on beyond the fact that I was getting stock and was getting near the mark which would comply with the written agreement.

Q. Out of what was that $20,000 to be paid? A. To be paid out of the subscribers' money, it was paid out of that, I mean to say $10,000 of it, not the $20,000.

Q. How is it the same day another agreement is drawn reciting the prior one and you accepting the responsibility for the $20,000 instead of leaving the responsibility really with the subscribers; how does the second agreement come to be drawn? Would you like to look at it? A. Yes; I would like to see it. Mr. Lown was a solicitor, and I was just trying to recall the reason he had for this. Mr. Lown wished this second agreement made for the purpose of having a receipt attached to it signed by all the provisional board, if I remember right, and I read it over and I did not see anything that conflicted with the other agreement and so I passed it.

Q. I understood that under that one, perhaps I am wrong,—that this $20,000 was subject to ratification, and in the other that you took the responsibility of getting that ratification, and if you did not get it you were liable for it? A. I did not understand it that way; I found that in the minutes after I got them, but I knew nothing of that at that time.

Q. You found that was their impression afterwards? A. Yes, after I got the minutes; I had not seen the minutes up to that time.

Q. How was it that that agreement having been signed was deposited with a third party and you did not get it until later on? A. It was suggested by Mr. Fraser I think, if I remember.

Q. Was it to be an effective agreement? A. I do not remember the terms of the agreement; I did not keep a copy of it.

Q. It was left anyways with Messrs. Robertson and MacLennan and was not to be delivered up except on the order of the provisional directors? A. Yes.

Q. What was the object of that? A. I suppose the object was to have something to bind me to carry the matter through for them was all I could make out of it.

Q. You paid them $10,000 on that same day? A. I did.

Q. And how was that money procured? A. It was procured from the Traders Bank out of the funds that were paid in by the shareholders.

Q. Who signed the cheque for that? A. Mr. Lown, I think, and myself.

Q. Under the earlier agreement of the 4th July you were to countersign all cheques? A. Yes.

Q. So that you and Mr. Lown signed the cheque for $10,000, was the money drawn out or a cheque handed over? A. They were drawn out to my order and I endorsed them and handed them over to them.

Q. Were there more cheques than one? A. There were four cheques; I saw them here a minute ago.

MR. COMMISSIONER: Was that charged to your commissions account? A. They charged it to my commissions account.

Q. What right had they to do that? A. I did not think they had any right; I thought it was understood under that first agreement that it was out of the funds of the bank, and they were holding themselves responsible for it and I was to be held personally liable for it.

Q. There is a statement somewhere, I thought it was on the back of this, of the amounts paid to the various parties, and I just want to ask you one question about that—I don't know just where the memorandum I saw is—out of that cheque Smith got $2,500 and the others varying sums— I will be able to tell that exactly a little later on when I put my hands on the memorandum? A. I do not think you can prove that by those cheques, how that money was divided up.

Q. I am not asking that; I am telling you I am in a position to prove Smith got $2,500 out of that? A. I am satisfied he did.

Q. I just want to carry you for a moment down to Ottawa; when you got down to Ottawa you found Smith there? A. Yes.

Q. And his demand was for $2,500. A. Yes, so Mr. Hunter told me.

Q. And if he got $2,500 out of this cheque, it would probably be the $2,500 for the balance, would it not? A. Yes.

Q. You settled with him, didn't you? A. Yes.

Q. How much did you give him? A. $1,800.

Q. Was that paid in cash? A. No, I gave him an I.O.U. for it to Mr. Smith at that time, and then exchanged it for a cheque later on.

Q. How was it you paid Smith so large a sum as $1,800 when none of the others got anything beyond a few hundred dollars? A. Mr. Hunter and his solicitor arranged that.

Q. You cannot give any reason for that? A. I have my own reasons, yes.

Q. Were there any reasons expressed down there that led you to settle with him on a different basis? A. Yes. I understood he was going to put a protest in with Mr. Fielding regarding some of the subscriptions.

Q. He was disposed of there, and you afterwards settled with the other provisional directors? A. Yes.

Q. Why did you not pay them the balance—— A. I did not think they were entitled to it; I got rid of them as easily as I could.

Q. In other words you had to pay the $10,000, but you did not have to pay the other? A. I did not have to pay the other and I did not.

Q. I would like to ask you about the subscription of W. J. Lindsay; the subscription is apparently dated on the 22nd October for $50,000? A. Yes.

Q. If your letter to Lindsay that I have already quoted is correct there was no necessity for $50,000—when was that subscription made and when was it dated and used? A. Lindsay left the subscription signed in blank with me to be used to complete any amount that we needed, that is my recollection of it, and I filled the date in.

Q. When did you fill the date in? A. I filled the date in on or about near the meeting time, near November 26th, prior to the meeting; I cannot just say what date it was.

Q. You say the 26th November the meeting was? A. Yes, and I dated Lindsay's subscription the 22nd October if I remember right, to comply with the notice that was in the paper.

Q. It would be about a month back? A. Yes, I ante-dated it a month.

Q. When did Lindsay know his subscription had gone on? A. He knew what I was doing all the time; I could not say when he knew it was registered on the books; he must have known of it prior to the meeting.

Q. He does not admit he did? A. I heard his evidence about it.

Q. I would like you to be as definite as you can about it; was any attempt made in the books to make them appear as if this was the correct date; it looks to me as if there was? A. No, I do not think so; I think you will find the subscriptions break off about October 22nd.

Q. Look at this, for instance (Minute book, EXHIBIT 9) you will see that Lindsay's subscription is the very last and the impression is entirely different; do you see his is the very last? A. Yes.

Q. And the minute is dated October 26th, and apparently alloted on that date? A. Yes.

Q. So if what you tell us is right, it is added there, that must have been put in afterwards. Did Mr. Lown, the Chairman, know that? A. I think he could explain that.

Q. Do you know whether he did or not? A. Mr. Lown should know all about it.

Q. We have a duplicate of that list which does not have Lindsay's name on at all; do you know anything about the addition of that in typewriting to that list? A. It has all been typewritten at the same time.

Q. I will be able to show you that that is not the case, but I want to know what you know about it. Who instructed his name to be put in there under date October 26th? A. I could not say; I may have done so.

Q. Look at this book (Large subscription book, Exhibit 19) what date does that bear for allotment? A. Here is 500, October 26th. A. That is written in in typewriting, the ones before that are both November 24th; do you remember anything about the instructions as to what appeared in this book? A. This book is copied from the other book; I cannot tell you unless I saw the original book.

Q. What is the original book? A. That one, (Exhibit 18).

Q. That appears to be dated? A. The 22nd October.

Q. Whose handwriting is that? A. That is in Mr. Shaver's handwriting.

Q. Did you instruct him to put it in the books? A. I presume I did.

Q. He must have written it in sometime close to the November meeting? A. My recollection is that from there on up to and including all under October 22nd, that those were written in just prior to the meeting.

Q. And were they ante-dated? A. Some of them were, yes.

Q. Tell me which of those were; there is Lindsay you have spoken of; what about Dr. Nesbitt 100 shares? A. $5,000 was ante-dated; Lown is ante-dated; Hunter's, I could not say for sure; McCorquodale's ante-dated, the next McCorquodale, and the next McCorquodale; Fitzgibbon was ante-dated, Gallagher was ante-dated; Luxton was ante-dated; Bradley was ante-dated, at least that is my recollection; I am not sure about Mr. Gilchrist.

Q. What about Linton, Richardson, Mitchell and Gilchrist? A. Richardson I think was; I could not say positively about the others.

Q. Luxton was a stock seller at Milton? A. He was working for Lindsay, sub.

Q. Who was Bradley? A. That is another sub.

Q. You think the handwriting of all those was Shaver's? A. It was all Shaver's handwriting, yes.

Q. Under whose instructions? A. I cannot say I gave him instructions about each one of them; we handed over the subscriptions to him and he entered them up, but he was doing his general work under my instructions of course.

Q. Of course if they were all ante-dated he might be merely a copyist putting them down as they were? A. I do not think he copied those in until a few days before the meeting; that is my recollection.

Q. Would that have been after the Laidlaw subscriptions had been got out of the way? A. Yes, it would.

Q. Who is Gilchrist? A. John Gilchrist is an officer in the Crompton Corset Company.

Q. Can you tell and does that book show the amount up to Gilchrist's name, the total amount of stock subscribed? A. Yes, 5,448 shares it shows there if the additions are correct, here, I think they are.

Q. $596,200 of shares would indicate that there were some 500 shares got after that, would it not? A. Do you refer to the list that was filed with the Government?

Q. Yes? A. I would have to see the list and see why it does not correspond with this; I cannot answer just off hand.

Q. You took the list right down to the time you went to the Government? A. Yes, the list was supposed to be an exact copy of this book.

Q. That was in November? A. Yes.

Q. What had you got according to this book down to? A. According to this it was 5,448 shares.

Q. And the next date in that is December 22nd? A. Yes.

Q. So that those you have given us are the concluding ones of the whole list? A. Yes, I should say they were.

Q. Prior to getting the certificate? A. Yes.

Q. Is this the list, Exhibit 17, that went in to the Government, do you know? A. That is a copy of it.

Q. You do not know whether it is the original? A. It is a copy of it; I am sure it is not the original.

Q. In that book of yours where does the Lindsay subscription come in, after whom? A. After M. Beattie, Campbellville.

Q. The one immediately after that in this list is W. Beattie Nesbitt, 100 shares? A. That might be.

Q. I just want to know because I do not see any reason why it should be put there; why is this Lindsay one put out of its order and away up perhaps two or three places ahead and out of its legitimate order according to that book? A. I could not answer that question. Fitzgibbon ought to be able to answer; he is the accountant that prepared this statement.

Q. It does appear, I am right, am I not, it does appear out of its order; if you look at the original book you are referring to? A. Yes, it should be near the end.

Q. You will find the Beattie Nesbitt, the Lown, and these others all in their proper order a couple of pages over. In the prospectus filed in Ottawa there are a number of names given—on the prospectus that was filed with your application—a number of names given as directors that have sworn they had not agreed to be directors: Major Beattie and Calvert? A. So far as Major Beattie is concerned I think he had a poor memory when he gave that evidence. I called him up on the long distance phone after he had been approached by Mr. Lindsay, or perhaps I should say Mr. Lindsay called him up and then allowed me to speak to him and he asked me who I was, and I told him "You ought to know me; you have known my people for 25 years; we have dealt hundreds and thousands of dollars in your store"; and he said "Oh, yes, that is all right", he said, "I have no objections". He did not exactly tell me I could put his name down but I inferred that he intended that I should, but later on he objected to it.

Q. And before this prospectus was filed at Ottawa? A. Yes, that was before that.

MR. COMMISSIONER: Which was,—the objection before or the consent before? A. The objection was raised before I had filed the subscription list in Ottawa.

MR. HODGINS: What you tell us about speaking over the telephone was the original talk you had? A. That would be about March or April, 1906.

Q. And before this prospectus was filed in Ottawa with the Finance Minister, Major Beattie had withdrawn his consent, whatever it was, to be a member of the Board? A. Yes, he had refused to subscribe for stock to qualify as a member of the Board; therefore, he could not be elected.

Q. But he had declined to be a director? A. Yes, he declined to subscribe so that he could not be a director.

Q. He might have consented to be a director and then declined to subscribe? A. I understood Major Beattie when his name was put upon the provisional prospectus to have consented to have it there.

Q. I am only asking now with regard to the date, which is the 27th November, when you verified the prospectus which contains the statement: "The following gentlemen consented to act as directors if elected", whether at that time you did not know that Major Beattie had withdrawn consent he had given, whether by refusing to subscribe or otherwise? A. I knew that, yes.

Q. Would that apply to John D. Ivey? A. Yes.

Q. Would it apply to W. S. Calvert? A. Yes.

Q. To Hon. A. G. McKay? A. Yes.

Q. Thomas Urquhart? A. Yes.

Q. When you were in Ottawa were you asked anything with regard to the truth of the statements made in the prospectus? A. I did not think they were untruthful at that time.

Q. Were you asked anything about their truthfulness? A. Yes, Mr. Fielding discussed the subscribers' list with me.

Q. What names did he mention? A. He mentioned those Laidlaw names and he mentioned some others that somebody had been kind enough to call his attention to, and I told him there was no provision in the Bank Act to take those names off the list until after the Bank had organized, but that we had sufficient over and above that.

Q. Laidlaw's subscriptions amounted to $21,300? A. Yes.

Q. What were the others he referred to? A. I cannot say exactly which ones they were; if I remember rightly it was Smith and Davidson of Flint, and Hon. Samuel Merner.

Q. How much was that? A. Five thousand dollars.

Q. That would be fifteen thousand more? A. Then Hon. Mr. Forget, that is $5,000; and then A. H. Hoover's five thousand more; and he spoke about Lindsay's $50,000, but he made no objection to it; that is my recollection of it.

Q. Was that at one of the interviews with him, I suppose? A. Yes.

Q. On the first day? A. I think it was immediately after Mr. Calvert introduced me to him.

Q. That was the first interview? A. I think that was the first interview we had, I am not sure about that though.

Q. Then you think somebody had been telling him about the difficulties regarding this list? A. There was no doubt about it that he had been communicated with or been spoken to by numerous people.

Q. Did he ask you about the truthfulness of the prospectus so far as the names was concerned? A. No, I do not think we spoke about that, in fact I am sure we did not.

Q. You know that Mr. Forget is mentioned as one of the directors; did he ask you if he was going to be a director notwithstanding his stock was questioned? A. No, that was not spoken about.

Q. The point was he was getting information from you as to the stock subscription list? A. Yes, the question was as to whether the list of stock subscribers was *bona fide* or not.

Q. The amount you have mentioned comes as nearly as I can make it to $41,300; there are four of them of five thousand each, and the Laidlaw's subscription $21,300? A. Yes.

Q. And then there is the Lindsay one, the fifty thousand; those were the ones he asked you about? A. Yes; my recollection is that all of those or some of them at least he asked me about. I could not swear positively every single one was; I know he went over a few of them.

Q. Those are in your mind? A. Yes, those are in my mind as the ones he likely questioned me about.

Q. What explanation did you give about the Laidlaw ones? A. I simply said I left them on the list because I could not take them off, because I did not need them.

Q. What did he say to you? A. He had been served with a letter from Mr. Leighton McCarthy explaining the whole matter to him, so I did not have to tell him anything.

Q. That they had been settled with? A. I think so; I did not read the letter, but that is what I understood was inferred there.

Q. You mean he had been told what had become of the subscriptions? A. Yes, he had been told in the first place about the writ, and in the second place he had withdrawn his objections, and he explained why he had withdrawn them.

Q. In discussing that did he speak as to the statement in Mr. McCarthy's letter as to the way in which the deposit was being raised? A. No, he did not speak about that at that time.

Q. "I received information," Mr. McCarthy says, "that alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money and that the persons professing to act in the name of the Bank have transferred notes and received proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of those notes or a sufficient amount to make up $250,000". Was that element of it discussed? A. The first I heard of that was Mr. Fielding wrote me a letter.

Q. On the first occasion there was no discussion of that? A. No, my recollection is there was nothing said about that at that time.

Q. He was discussing with you the getting rid of them, he took that up with you? A. Not as to detail, just in a casual way that we had settled it.

Q. He just treated it in a casual way? A. Yes.

Q. Did you assure him they had? A. I told him it was arranged.

Q. Why did you volunteer the remark you were leaving them there in the list? A. Because there was nothing in the Bank Act which would permit me to take them off the stock list once they were put on there.

Q. Did he assent to that? A. I do not remember; there is nothing that enables us in the Bank Act to take them off.

Q. Therefore you were obliged to send them in? A. I had them sent in, they were in.

MR. COMMISSIONER: They were in; he could not get the thing back to change it; it was there.

MR. HODGINS: Is that what you meant, because you had sent it in to him you could not change it? A. Yes.

Q. I understood you to mean after the subscription was once taken you could not change it? A. I will say that as well.

Q. What did you tell him? A. I told him there was no provision in the Bank Act to remove those subscriptions.

Q. From what? A. From the subscription list, from that book.

Q. After he had the list that you had sent him in, is that what you mean? A. Yes, exactly.

Q. Did he assent to that view? A. I do not think he expressed any opinion about it.

Q. Why did you say "we have enough without that"? A. I called his attention that we had more than five hundred thousand dollars, that even if those were eliminated we had sufficient left.

Q. How much had you then? A. The subscription list shows $579.000, I think.

MR. COMMISSIONER: $579,200 is what this document shows (EXHIBIT 17).

MR. HODGINS: The printed one is $578,900, and there were thirty five hundred shares, but those were taken afterwards? A. What list are you referring to?

MR. COMMISSIONER: Those are on separate paper; they are apparently included in that lot.

MR. HODGINS: You see at the bottom, you will find the total (in printed return)? A. This is a true copy of the list I sent in (EXHIBIT 17).

Q. At that time if you had deducted Lindsay as well as those others you would not have had over $500,000? A. No, we would not.

Q. What was the discussion with regard to the Forget subscription, what did Mr. Fielding say about that? A. I cannot swear that he said anything directly about that, but he said there were some conditional subscriptions, he understood, and I said that those would be replaced, but in the meantime we had enough without them; that is my recollection of my conversation with him.

Q. Were the names mentioned that you have given me here? A. There were some names mentioned, but I cannot swear to each one of them; there were some mentioned.

Q. The Forget subscription was a conditional subscription? A. Yes, it was written on the face of it.

Q. Two men in Flint were conditional subscriptions, were not they? A. There was nothing to indicate that they were conditional.

Q. But you knew it? A. Yes.

Q. And Hoover's was? A. Hoover's was written on the face of the subscription itself.

Q. Is that one of those you mention? A. Yes. My recollection is I mentioned that; the original subscriptions were sent to me at Ottawa.

Q. Original subscriptions? A. I had them all there.

Q. Do you mean the whole bunch? A. Those papers like that that represented every subscription that was on the list. (Similar to subscription form in EXHIBIT 25).

Q. Was that after your conversation with Mr. Fielding? A. After first one.

Q. Did you telegraph for them? A. Mr. Hunter came back and had them sent down.

Q. Mr. Hunter came back and had them sent down to you? A. Yes.

Q. That is the subscriptions which are similar to this exhibit 25? A. Yes, the original subscriptions signed by the subscribers themselves.

Q. You would get that naturally a couple of days after Mr. Hunter left; if he left at night and got here in the morning you would get it on the following morning? A. Yes.

Q. You were prompted I suppose by Mr. Fielding's interview to get those? A. Yes. I think I told Mr. Hunter that there might be some questions come up. I think he advised me to get them, and said he would attend to it when he went back.

Q. And they actually reached you in Ottawa? A. They reached me in Ottawa.

Q. Had you promised Mr. Fielding to get them? A. I could not say.

Q. Did you show them to him? A. I showed them to somebody, I do not remember whether it was Mr. Fielding or Mr. Boville, or somebody else in the Department, I could not say. My recollection is I showed them to somebody.

Q. You showed this pile of papers? A. My recollection is I showed them to somebody.

Q. Nobody suggested that; is your recollection clear upon it? A. I remember having the subscriptions there, and somebody looking at them; I do not know whether it was at the Department or whether it was Mr. Guthrie; I do not remember that now. My memory is not as good as it was a few months ago.

MR. TRAVERS: Mr. Commissioner, in bringing me up could not you see that they give me refreshments? I have had nothing to eat since 7 o'clock?

MR. COMMISSIONER: That ought to be seen to; it ought to be done by the Commission.

MR. HODGINS: I had no idea of that, and if you had mentioned it before I would have seen to it. Mr. Thompson will see that the officer is provided with money for that purpose.

The Commission adjourned at 4 p.m. until 11 a.m., tomorrow.

Toronto, May 15th, 1912.

The Commission continued its sittings at 11 a.m.

W. R. TRAVERS, Examination continued—

MR. HODGINS: Look at this cheque and see if that is the cheque you spoke of yesterday as being made out after you got the cash from Dr. Beattie Nesbitt? A. Yes, I think that is the cheque.

EXHIBIT 36—Cheque dated December 7th, 1906, for $5,000 to W. D. Travers signed "The Farmers Bank of Canada, W. R. Travers, General Manager".

MR. COMMISSIONER: Do you keep your slips to show the deposits? A. They should show.

Q. To trace this up, because apparently it must have gone through the Clearing House? A. Yes, I think it went through as a cross entry, sir.

Q. It was paid on the 7th December, the same day it was dated. Have you that book here?

MR. HODGINS: No, those will be in Mr. Clarkson's possession. I will be able to trace that up when I have Mr. Clarkson here. This I note is accepted by the Traders on the 7th December, who took it over? A. Oh, I think it was deposited, I think it would appear on the deposit slip.

MR. COMMISSIONER: It would hardly be likely.

It is marked paid on the 7th and accepted on the 7th.

MR. HODGINS: Your signature on that is duplicated.

MR. COMMISSIONER: He has made a mistake.

MR. HODGINS: It would look as if somebody had objected to the signature you put on first? A. No, I had a bad pen and I wrote it the second time for fear they might object.

Q. Can you throw any light on it of what became of it? A. It went through in the ordinary banking business and back again at the end of the month; my recollection is it is just a cross entry.

Q. Would this letter have any bearing on that transaction signed by Dr. Nesbitt? A. Yes, that refers to it.

Q. That is a letter to yourself dated May 10th, 1910: "Dear Mr. Travers: Referring to our conversation of yesterday, I remember well being in your office, then upstairs, on December 6th, 1906, and W. J. Lindsay coming in and handing me a parcel of Traders Bank notes to the amount of $5,000; they were hundred dollar bills, if I remember rightly. This was in accordance with a private arrangement I had with him. Yours truly, (Signed) Beattie Nesbitt." What was the conversation of yesterday to which he refers? A. I had spoken to him about it.

Q. That is three years after the event? A. Yes, I was to go under an examination, Lindsay brought a suit against me for commissions and I was to go under examination and I wanted to know exactly the facts of the matter.

Q. Had you any doubt about them? A. No.

Q. What was the object of this letter? A. I had no doubt about it; I wanted Nesbitt to put it in writing for me.

Q. Wanted to produce it on the examination? A. I did not produce it.

Q. Was that the idea you should? A. My solicitor thought it would be wise for me to get that letter from him.

Q. Who was your solicitor? A. Mr. Hunter.

Q. This speaks of a private arrangement he had with Lindsay; did he explain what that was? A. No.

Q. Or did you know? A. No, not at the time.

Q. At what time? A. At that time.

Q. At the time of the letter? A. At the time of the transaction I did not know it.

Q. Did you learn it afterwards? A. I think as Dr. Nesbitt is going under a trial, I do not think it is fair to me—of course Mr. Commissioner knows better than I do, but I feel a little reluctant to answer these questions as he is coming up before the Criminal Court and I have to give evidence.

MR. COMMISSIONER: I do not suppose that is a reason for stopping the inquiry. You have endeavoured to protect him from any unfair results; I think you have done all you can and must answer now. A. What is your question?

MR. HODGINS Did you learn it afterwards? A. Yes, I learned it from the Doctor in conversation that Lindsay had agreed if he went on the Board and became President, that his stock of $5,000 should be paid for. I did not approach Dr. Nesbitt, I never knew Dr. Nesbitt, till a week or two before the meeting of the shareholders, never heard of him except to know him as a politician and a leader of the Conservative party in the City, and beyond that I did not know him.

Q. Do you mean to say that you, the prime organizer of the bank, allowed Lindsay to dictate who should be President, his name to be mentioned only a week before he was elected? A. I did permit that.

Q. Lindsay must have had a considerable amount of power in connection with the organizing of the bank? A. He had power to get the subscriptions and he brought a good many of those names on the provisional Board to me; I did not see the men.

Q. How do you account for his being able to name the President? A. There were several men named for the President and they fell down after the Laidlaw suit, and we were in a fix at that time.

Q. Who was in a fix? A. I was.

Q. And Lindsay? A. Lindsay no doubt felt he would be unable to collect the balance of his commissions if anything happened that the bank did not go on.

Q. This arrangement was then come to? A. Yes.

Q. And Lindsay did not tell you he had arranged to qualify Beattie Nesbitt? A. No, I did not ask that.

Q. That was not stated to you? A. No.

Q. Did you know that the by-laws passed at the meeting required that $3,000—

MR. COMMISSIONER: Had not you better get whether that $500 came out of Lindsay's or his commissions? A. At the present time it is out of Lindsay's; that is the dispute between Lindsay and myself.

Q. What do you mean at the present time it came out of Lindsay's? A. I mean as far as Lindsay's commissions are concerned it is charged up against him. —EXHIBIT 37: Letter May 10th, 1910, from Beattie Nesbitt to Travers re $5,000 handed to Nesbitt.

MR. HODGINS: We got up to the point yesterday that Beattie Nesbitt got $5,000, that you got $5,000, and that Lindsay got $5,000? A. There was $15,000 drawn.

Q. There is no doubt that Lindsay got away with $5,000 quite apart from this $5,000; is not that right? A. Yes, and I charged him with $10,000.

Q. The cheque to you was for $10,000? A. Yes.

Q. Of which half was yours and half was Lindsay's? A. No, I would not say that; I was paying him $10,000, that was my intention at that time.

Q. Out of which we found yesterday you got $5,000 and Lindsay got $5,000? A. I did not get $5,000 out of that cheque, that was wrong. I said I got $5,000 out of the next cheque; Nesbitt simply cashed that cheque for me.

Q. We at all events got that far that each of you got $5,000? A. Yes.

Q. And then you say that this $5,000 which Beattie Nesbitt got came out of Lindsay? A. Yes.

MR. COMMISSIONER: It was charged to Lindsay.

MR. HODGINS: What I mean is it had come out of whatever was coming to Lindsay? A. I do not know what you mean, I am trying to tell you the transaction but I am not on trial.

Q. How did it come out of Lindsay? A. The cheque was drawn to Lindsay for $10,000, and I charged $10,000 against Lindsay's commissions; $5,000 of it went to pay Nesbitt's stock. I did not propose to have the $5,000 come out of my commissions.

Q. When was that charge made? A. The day the cheque was drawn.

Q. The books will show that? A. No, there were no books kept of that; it was a matter between Lindsay and myself.

Q. What do you mean by the charge was made the day the cheque was drawn? A. Charged it in my own mind if you wish it that way. I did not keep any books with Lindsay beyond the registering of the stock; I could figure up from there from time to time.

Q. When you say charged you will understand that, speaking as a former banker, it is likely to be understood you mean charged in the books? A. Yes.

Q. And if you mean it in your mind, say so. Then there was no actual memorandum except in your own mind for some time afterwards? A. Nothing at all but the cheques which were issued to me.

Q. We have so far as the records go the cheques and who got the money? A. Yes.

Q. That is all? A. Yes.

Q. We can make up our own minds as to who it should be charged to? A. Quite so.

MR. COMMISSIONER: Ask him if there was any trace kept, any entry made of the sums he paid to Lindsay out of the cheques he drew to himself.

MR. HODGINS: To begin with was the system of drawing cheques out that they were payable to you, and you were the one who was entitled to the commission and you paid Lindsay out of what you got? A. Yes.

MR. COMMISSIONER: Did he get any voucher or make any entry of payments? A. The cheques that were issued to him were endorsed by him, that is the receipt I had for those amounts, and I made certain deposits to his credit in another bank, which speak for themselves.

MR. HODGINS: We put in two of those yesterday; then as between you and Lindsay where do we find, where does any one find any trace of what was done with that particular cheque of $10,000? A. We cannot find any trace of it.

Q. It is in dispute between you and Lindsay? A. Yes.

MR. COMMISSIONER: What is the dispute? A. He claims he has not been paid that $5,000 and many other five thousand dollars, I think he claims $36,000.

Q. Does he claim that $5,000 should have been paid by the bank or by you, the qualification money? A. He claims he paid that $5,000 to me as half the commissions on that cheque.

Q. And that you gave it to Nesbitt? A. And that I made it a present to Nesbitt.

MR. HODGINS: If that be the case, that letter must be wrong that Lindsay came into the office when you were there and that Lindsay gave Beattie Nesbitt $10,000? A. No, it is not; I have told you several times that Lindsay came in and paid it to Nesbitt in my presence.

Q. And his contention is you paid it to Nesbitt? A. He contends he paid it to me.

MR. COMMISSIONER: I have forgotten whether you asked Lindsay about that; I don't think he gave any account about that? A. Yes, he swore to that; I heard him swear to it here.

MR. HODGINS: If Lindsay claims that you paid that it must be upon a basis that you had agreed to qualify Beattie Nesbitt and not him? A. Yes, I believe that is the contention.

Q. And your statement today is that you did not know Beattie Nesbitt until a week before he was elected? A. I would not say a week, it might be two weeks before, shortly before.

Q. And that his name came forward entirely through Lindsay? A. Yes, that is as I understood it.

Q. Did you ever agree to qualify Beattie Nesbitt? A. I did not.

Q. Had not Dr. Nesbitt come to your notice in connection with the loan that was got for the $80,000 from the Trusts and Guarantee Company early in October, 1906? A. No, I don't think I had any conversation at that time with Dr. Nesbitt.

Q. You cannot recall that at the moment? A. I did not know the man at that time; he called on me at the Queens Hotel where I was living after Laidlaw had entered that infamous suit.

Q. He called on you? A. He called on me himself.

Q. In reference to the presidency? A. In reference to taking stock and becoming a director.

Q. Perhaps you will recognize this application of his for stock? A. Yes, that is his application.

Q. Is that the one that was ante-dated? A. Yes, I think it was the only one I think that is on record now.

Q. That was taken by you or taken by whom, that subscription? A. I could not swear to that.

Q. Whose writing is the date in? A. The writing is my handwriting, but the name of the proxy is written by some other handwriting, I don't know whose.

EXHIBIT 38—Application of Beattie Nesbitt, dated October 22nd, 1906, for 100 shares of stock.

Q. These cheques I think would be the ones paid to the provisional directors? A. Yes, those are the cheques.

Q. I see they are all payable to you, signed by the Farmers Bank by A. S. Lown, Chairman, and G. H. Smith, Secretary Treasurer? A. Yes.

EXHIBIT 39—Four cheques dated July 4th, 1906, signed "The Farmers Bank of Canada, A. S. Lown, Chairman; G. H. Smith, Secretary Treasurer", for $2,500, $2,000, $2,500, $3,000, all payable to W. R. Travers.

Q. Exhibit 13 already in is the power of attorney to you from the provisional directors, together with a memorandum as to the division of the money, and endorsed on the back of it is what I could not find yesterday, the statement of how much each of these gentlemen got. There are two cheques which have just been put in of $2,500 each, Mr. Smith appears to have got one, and Mr. Lown the other, from that endorsement? A. I could not say as to how they distributed that money, with the exception of the endorsement of Mr. Fraser on one of the cheques, which speaks for itself.

Q. Will you just look at Exhibit 16 and tell me if that is the document under which you finally got that agreement from Robertson & Maclennan, the agreement which you and the provisional directors had signed? A. That was the order to obtain the paper; I am not sure whether I ever got it or not.

Q. Here is Lindsay's statement of claim in that action in which he admits that up to December 7th, 1906, he received from the Farmers Bank, either directly or through the defendant Travers, on account of commissions, the sum of $13,527.50; that is up to December 7th, would that include, in your view, that $10,000 or only $5,000 of it? A. That is his statement of claim; he never was examined under that statement of claim; I disputed the figures.

Q. At all events this is in your favour so to speak, for an admission he got so much money; and he further says, "On and after the 7th December, 1906, there was placed to his credit by the defendant Travers and he received the sum of $7,000"—that would make $20,527.50. Would that—of course I do not mean to bind you any way, but speaking generally—would that be fairly accurate as to the amount he had actually got? A. No, it would not.

Q. He got more than that? A. Yes.

Q. You claim he was overpaid? A. Yes, I claim he was overpaid.

Q. At all events that was his statement at the time; I suppose from his point of view that would not admit any more than needed. Probably it is right that from the 5th June or some time, say 4th July, till December you had made no deposits to his credit for commissions? A. I had; they speak for themselves.

Q. From June, 1906, to December, 1906, you had made payments to Lindsay for deposit to his credit? A. Yes.

Q. And that has come out of the subscriptions? A. Yes.

Q. There is a copy of a letter addressed by you to Lindsay, dated April 27th, 1906, which ends up: "I am enclosing you a new form of application leaving the proxy blank. Kindly take all your subscriptions without putting the name in at all. I have a new wrinkle and will explain it to you when I see you". Mr. Lindsay replied to that on the 1st May: "Mr. Luxton and I have adopted the plan, and I now enclose you a cheque for deposit in Bank of Montreal, and my personal cheque for $300 to the credit of Greenlees, together with notes for $700; we are retaining the subscription of which I send the copy only"—what was the new wrinkle? A. I did not like the subscriptions going into Smith's hands with the proxy blank; I wanted to fill them in myself with my own name or somebody else's I could have confidence in. What letters are those? From Lindsay's files?

Q. No? A. I would not put any confidence in his file.

Q. These are from the liquidator's file of what was found in the bank? A. That is all right.

Q. There is a letter of December 28th, 1906, I would like an explanation on one paragraph of; it is addressed to Lindsay, at Kerwood, and it says this: "In taking subscriptions from now on until, say the middle of January, Mr. Hunter has suggested that you leave the date blank so we may make use of them in any way that may suit best when making up our next list"—what is the meaning of that suggestion? A. Well, I think we had in our mind at that time that a lot of those subscriptions that you referred to yesterday should be eliminated from the statement before making a new one to the Government, and that the subscriptions that he refers to there would take the places of them as near as we could arrange it.

Q. The return would be one dating up to the 31st December, 1906? A. Yes.

Q. But it would not go until after the middle of January? A. We would have to make it up to the 31st December, and then we had 14 days in which to send it in, and the idea was, if I remember right, that we would not show any reduction in our total subscriptions if possible.

Q. The idea was each of these subscriptions which we would get between that date and the middle of January would be left blank and could be used to replace those that objection might be taken to? A. That is my recollection at the present time.

Q. What particular subscriptions was that in reference to? A. The Laidlaw, for instance.

Q. And what else? A. Others that I mentioned yesterday; Smith of Flint, Michigan, and Davidson, and several that I knew should come off.

Q. And was that suggestion acted upon? A. I think the Government return as compared with the other one, will show it was to a certain extent.

Q. Looking at this letter of Lindsay's which has gone in as Exhibit 23, letter from Lindsay to you, will you kindly read that and tell me what list that refers to, and what subscriptions? A. What is this?

Q. That is a copy of a letter from Lindsay to you? A. Is it a genuine copy?

Q. I think so; when you read it you will be able to tell probably? A. Yes, I remember getting something similar to that; probably it is the same thing exactly.

Q. When he was here we questioned him with regard to what bank blue book that would be; you see the date of the letter is November 13th, 1907, and we came to the conclusion that the blue book would be the one up to the 31st December, 1906? A. Yes.

Q. Would this reference in his letter: "Several names that are not or should not be on the list as shareholders" refer to that list of December 31st, 1906? A. Yes, I should say it did.

Q. Do you know at all what his reference is? A. His reference was a bluff to frighten me that he would make a complaint to the Government if I did not settle with him; that is what he had in his mind when he wrote that letter.

Q. Was his statement true that there were several names that should not have been on the list? A. Yes, he is quite right in it.

Q. You think this was his bluff to frighten you? A. Yes.

Q. I suppose it could not have any effect? A. I am not bluffed as easily as that.

Q. Did you alter the list of December 31st, 1907? A. The list was sent down exactly as it should have been according to our books.

Q. I want to ask you now about that loan of $80,000 that was got from the Trust & Guarantee Company? As I understand you found yourself short and you had to raise a loan of $80,000? A. Yes.

Q. In order to make the deposit; this is the cheque which you finally got, is it not, dated 11th October, 1906, for $80,000 payable to the Bank of Montreal? A. Yes, that is the cheque. —EXHIBIT 40:—Check, Trusts and Guarantee Company to Bank of Montreal, dated 11th October, 1906, for $80,000.

Q. Application for that $80,000 was made to whom? A. Mr. Warren of the Trusts and Guarantee Company.

Q. And solely with him? A. Yes.

Q. What was the bargain, what were you to pay?

MR. COMMISSIONER: Was it in writing or verbal? A. It was a verbal application. I called on him and talked the matter over with him.

MR. HODGINS: You finally gave him a hypothecation? A. I gave him the usual hypothecation that is taken in such cases for the notes that I deposited as collateral security.

Q. Just tell me what the verbal arrangement was? A. The arrangement was he should loan me $80,000 for the purpose of putting up to the Government and make the Government deposit in accordance with the Bank Act on the security of $103,000 or $104,000 of good Farmers notes.

Q. As far as I know these are the only papers we can find showing the arrangement between you; will you just look and see if there is anything further? A. The arrangement was the loan was made to me personally under legal advice; it had nothing to do as far as I knew at that time with the provisional Board, and the notes having been endorsed over to me personally I had hypothecated them personally to the Trusts Company and received this $80,000 for which afterwards the bank paid 7% and $1,000 bonus.

MR. COMMISSIONER: The Farmers Bank? A. Yes.

Q. 10%? A. Yes, and $1,000 bonus.

MR. HODGINS: I want to know what your arrangement with Mr. Warren was? A. My arrangement with Mr. Warren was to borrow that money and give the security.

Q. You explained what these notes had been given for? A. Yes.

Q. That they were stock subscription notes? A. That they were given on account of the subscriptions, yes.

Q. And you wanted to deposit them with him and get this money to make up the Government deposit? A. Yes.

Q. What was the necessity for legal advice? A. The legal advice was whether those notes could be collected or not when they were given for subscriptions.

Q. Collected by whom? A. Collected by the holder.

Q. By the Trusts & Guarantee Company? A. Yes, they would be the holder at that time if they advanced the money.

Q. Who gave the legal advice? A. Mr. Hunter, I think.

Q. You stated it was given under legal advice; do you mean to say you do not know who the solicitor was? A. My recollection is Mr. Hunter; I do not know whether it was Mr. Hunter or Mr. Urquhart.

Q. Did you meet Mr. Hunter in connection with it? A. I did.

Q. Did you explain the situation to him? A. It was talked over.

Q. Who was he acting for? A. Warren.

Q. Was it thoroughly understood what we understand now, that they were stock subscription notes? A. I am satisfied it was.

Q. They were to be paid back out of moneys deposited after the granting of the certificate? A. That is where Mr. Warren and I differ. I have to contradict him. He said the money was to be paid back from the payment of the notes; I was under the impression I was to pay it back out of the deposit.

Q. How long was the loan for? A. Thirty days.

Q. And the bonus was for thirty days, that was the arrangement? A. Yes, the bonus was for the transaction.

Q. And in fact did you pay the money back out of the moneys you got back from the Government? A. I did.

Q. To Mr. Warren or to his company? A. To the Trusts Company.

Q. And was that made in three payments? A. It was.

Q. Would the dates Mr. Mitchell has given be right, December 6th, 7th and 17th? A. I think so. I did not see the cheques he was handling, but I considered he told what were the facts.

Q. What bank was your bank at that time? A. The Union Bank.

Q. It would appear to be in the Traders Bank, this deposit on December 3rd, $245,000, would not that be what you got back? A. That is the money that came from the Government.

Q. $245,839.80? A. That $889.80 would be some odd cheques added to the $245,000.

Q. Probably gave you some interest? A. We got some, not very much; we got very few favours from them.

Q. Would you tell me—? A. The cheques are here themselves; I saw them here the last time you held your sitting; they would speak for themselves, would they not?

Q. I have them here? A. I was wrong in saying the Union Bank; I transferred my account to the Union Bank soon after the bank opened, and I thought when I said that, that the cheques were on the Union Bank.

Q. Look at this, this appears to be a statement, you can tell whether it is from your books or the Trusts Company's books? A. This is made up by the Trusts Company.

Q. Can you identify in that the three cheques? A. $30,000, $25,000 and $25,605.81.

MR. COMMISSIONER: That is repayment? A. Yes.—EXHIBIT 41: Farmers Bank book with the Traders Bank.

MR. HODGINS: This appears in this bank book? A. Yes, I see such entries there and I presume they are the ones.

Q. $30,000, $25,000 and $25,605.81? A. Yes.—EXHIBIT 42: Statement *re* payment of $80,000 loan.

Q. That cheque that I gave you for $80,000 October 11th, 1906, was deposited immediately, was it not in the Bank of Montreal? A. Which cheque?

Q. The cheque for $80,000? A. Yes, the book will show the date it was deposited; I do not know whether it was exactly that day or a day or two afterwards; it was very soon anyway after the issue of it.

MR. COMMISSIONER: Was the $80,000 cheque of the Trusts & Guarantee Company deposited in the Bank of Montreal, or did you put your own cheque in? A. No, I deposited their cheque. The Trusts Company drew it to the order of the Bank of Montreal so that I could not make use of it in any other way.

Q. At whose request? A. It might have been mine, I could not say; Mr. Warren I think says so; I would hate to contradict him.

MR. HODGINS: Had you dealings with any one but Mr. Warren in the matter? A. I saw Mr. Stratton once.

Q. In connection with the $80,000 loan? A. Yes, before it went through.

Q. Explained it to him? A. Partially.

Q. To what extent? A. Mr. Warren introduced me to him, if I remember correctly, and beautifully outlined the transaction, and I added a few words to it, and he said whatever Mr. Warren would do, he would be satisfied with it.

Q. Who fixed the bonus you were to pay? A. Mr. Warren.

Q. What was the necessity of paying a bonus on a loan of that kind? A. That is a usual custom; people do not make loans, banks or loan companies or any other institutions without having a little more than the interest.

Q. Without a bonus? A. Without a bonus, very few of them.

Q. What was the reason given to you for having the bonus of $1,000? A. Profits to the Trusts Company.

Q. On account of the dangerous transaction? A. I do not think they looked at it that way, I thought they looked at it as an accommodation to me it was worth $1,000, and I considered so.

Q. You thought it was? A. Yes.

Q. There was some doubt as to the legality of the transaction in their mind, that they were taking a risk? A. At first, but not always.

Q. Mr. Hunter was not the bank's solicitor? A. No.

Q. He was acting for whom? A. He was acting for Mr. Warren I understand.

Q. You did not identify these documents, I would like you to do that; one dated October 11th, signed by the Trusts & Guarantee Company per Warren: "Received from W. R. Travers, Esq., notes amounting to the sum of one hundred thousand nine hundred and fifty-five dollars as per list furnished us by the provisional directors of the Farmers Bank of Canada. A cheque will be given to you for the sum of $80,000, the amount of the loan to be made by this company on the security of said notes to-morrow. The Trusts & Guarantee Company, per James J. Warren."

And then October 10th, 1906, which was the day previous, this letter: "W. R. Travers, Esq., Farmers Bank of Canada, City. Dear Sir: I wish to put on record our understanding of to-day that the $80,000 has been available since yesterday, and that the rate of interest agreed upon will be payable in respect of it from this time on. Yours truly, J mes J. Warren, Manager." We have not been able to find the list of notes anywhere? A. I saw the list of notes here or some place else.

Q. The liquidator says he is unable to find them? A. I had them in my hands; they are marked as an exhibit somewhere.

Q. We do not find any list; at all events there was a list which that said was given by the provisional directors? A. The Provisional Board did not give the list; I made the list up myself.

Q. Without consultation with the Provisional Board? A. I did not consult with them at that time, very much beyond the allotment of stock.

Q. This says first, that is as it was written first, "Furnished us by the Farmers Bank of Canada", and then it is put in, by the "Provisional Directors". —EXHIBIT 43: Letter 10th October, 1906, Trusts & Guarantee Company to Travers and receipt for notes from Trusts & Guarantee to Travers of October 11th, 1906.

Q. Did you note the terms of that letter. (Of October 11th, 1906, Exhibit 43)? A. Yes.

Q. You noticed the change? A. Yes, I noticed he had provided the funds and wanted the interest—no, I cannot say that I noticed that.

Q. In your conversation with Mr. Hunter, did he see the list or notes? A. No, I don't think he did.

Q. There was nothing but notes being hypothecated? A. Nothing but notes.

Q. No. subscriptions at all? A. All I had were hypothecated, the subscriptions as well. I am quite sure there was another document that carried the subscriptions with the notes that they referred to.

Q. Have you ever said so in any single one of your examinations from the time of the failure of the bank up to now? A. I am not sure, but I think I did.

Q. In what case? A. In the case against Warren and Stratton; I am not sure about it, but my recollection is I did mention that.

Q. You think then there was an hypothecation of subscriptions? A. I feel certain there were.

Q. You would have made up an additional list would not you? A. No, there was no list made of the subscriptions, I am quite certain of that, but the hypothecation was made, if I remember right, to read that the subscriptions which these notes referred to were hypothecated.

Q. That is something quite new on the evidence you have given so far; you may be quite right? A. I have answered every question I was ever asked; I did not volunteer anything.

Q. How is it that this letter does not say so? A. I could not say.

Q. Notes amounting to $100,955; there must be another paper which the Trusts & Guarantee Company got at that time? A. There may be, I could not say.

Q. You said you remember a list? A. I say my recollection is—I did not say there was any list of subscriptions; you twist it around and try to make me say something I do not wish to say. I said my recollection is that there was another document that carried the subscriptions with those notes.

Q. If that be so, it has never been produced in any of the cases in which you have given evidence? A. No, I don't think it has.

Q. Has it ever been mentioned by you or Mr. Warren? A. I answered you a few minutes ago that I thought I had mentioned it in a previous case.

Q. Although it was not produced; did you hear Mr. Hunter's evidence when he was being examined before this Commission? A. Yes, I did; I don't think that question was asked him.

Q. What subscriptions were those that you think were hypothecated? A. The subscriptions that referred to each one of those notes.

Q. And apart from that there was no hypothecated subscriptions unless the subscribers had given notes which you handed to the Trusts Company? A. No.

Q. That is right is it? A. I think so.

Q. I would like to have quite a definite answer upon that, and I will ask the question again; I say, were there any subscriptions which you claim were hypothecated other than those of subscribers who gave notes whose notes were handed to the Trusts Company? A. No, there were not.

MR. COMMISSIONER: Did you not keep a copy in your letter book of the hypothecation paper? A. All the paper should have been in the bank.

Q. When it was drawn out, the hypothecation paper, and handed over did you not have it copied in your letter book? A. No, I signed those in their office; I wanted the cheque for the money, I did not pay much attention to anything else; I knew I would pay it back.

MR. HODGINS: How is it there was nothing signed by you at all, it is all signed by Warren? A. All documents I signed were returned to me after the loan was paid off; they should be on file in the Bank, but as they arrested me a few hours after the Bank failed I had not a chance to see the papers were protected.

Q. When you say "after the loan was paid off" what do you mean? A. It was paid off later on; those cheques you speak of, December 6th, 7th and 17th I think they were.

Q. It was handed back immediately after that? A. No, they were not handed back to me then, the transaction was reversed after that, and it ran on again for a few months.

Q. And then they were handed back, were they? A. I think so; my recollection is they were.

Q. Look at that document and please tell me what this is? A. I do not know what it is; it purports to be a list of notes that were returned from the Trusts Company to the Bank.

EXHIBIT 44: List of notes purporting to be returned from Trusts Company to Farmers Bank.

Q. Are they some of the notes that are hypothecated? A. Yes, I should say there were a great many of them.

Q. Look at those papers and tell me if those relate to the same notes? A. Yes, I should think they were some of the notes, sure of that.

Q. I do not find any statement that there were any subscriptions returned to you? A. The subscriptions were not handed over to them, not the subscriptions themselves.

Q. That is why no reference to subscriptions appears in any of the letters or papers that I show you? A. I should fancy that is the reason.

EXHIBIT 45: Receipt, Travers to Trusts & Guarantee Company for notes received, dated February 26th, 1907, and correspondence between Warren and Travers.

Q. (Referring to Exh. 44). You will notice these three notes which are struck out, F. W. Stair, W. J. Lindsay, and W. R. Travers, $9,000, $2,500 and $81,000; you know that the first two were in connection with the subscription loan of eighty thousand dollars? A. Yes, twenty thousand was referred to.

Q. What about W. R. Travers, $81,000? A. That was the note I gave for the $80,000 loan and the bonus of one thousand dollars.

Q. Did you not get that back? A. Certainly I got it back after it was paid.

Q. What does this mean, the striking that out of that list? A. I do not know what that list is.

Q. It says "List of notes"? A. Yes, but anybody could make up that list; it looks to me like a list of the notes.

Q. It looks to me like an exhibit produced in the Stratton and Warren case, the property of the Trusts Company. I am asking you what you know about it? A. I do not know anything about it.

Q. You cannot account for that being struck out? A. No.

MR. COMMISSIONER: They apparently total the sum of $166,000 if the pencil is right.

MR. HODGINS: You have said that this was a loan made to you personally. You were asked in previous inquiries whether you had the right to sell those notes

whether you were the owner of them and could sell them; what do you say to that? A. I thought I had at the time.

Q. You answered then that you did not think you could sell them, that all you understood was that the provisional directors had resigned their trusteeship to you? A. I don't think I made such an answer as that.

Q. I would like to get the basis on which this loan was made? A. The facts are very simple.

Q. They are not so very simple as you put it; you endeavored to make this a personal loan to yourself, and the question you were asked was: Q. "Was it an absolute sale to you by the provisional directors of these notes? A. I did not look at it that way. Q. How did you look at it? A. I looked at it that they simply resigned their trusteeship to me and left me in power. Q. Were you prepared to sell these notes? A. No, I don't think it would have been lawful for me to sell them." A. I did not sell them.

Q. I know you did not; now are you satisfied that that is your view? A. I acted under Mr. Hunter's advice at that time and we considered the proper way for me to make the loan was to make it personally; what was the effect in law I do not know.

Q. It was Mr. Hunter's advice that led you finally to settle on the idea of a personal loan, was it? A. Yes, that is my recollection.

Q. In fact it was first to be made in the usual way upon those notes, and at the suggestion of Mr. Hunter was finally settled down into a personal loan to you? A. Yes, that is the way I recollect it.

Q. So that I suppose you and Mr. Hunter quite knew what your title to the notes was and the purpose for which the loan was being got? A. Yes, I should think so.

Q. The power of attorney from the provisional directors to you which has been put in as Exhibit 13, appoint you attorney to endorse their names on all notes made by any one payable to the provisional directors, and the endorsement shall be valid just as if they had endorsed it, and to hypothecate said notes so endorsed and signed for the purpose of raising funds thereon, we personally guarantee said notes—the date of that is 8th October, 1906? A. Yes.

Q. And at that time it was quite understood by them that your hypothecation was to raise money to get the charter put through? A. At that time, yes.

Q. So that they would get the balance of their $10,000? A. I don't know if they had that in their minds, they might have.

Q. Likely? A. It seems reasonable.

MR. COMMISSIONER: He cannot answer that.

MR. HODGINS: Did they say anything about it? A. Not at that time, they did not say anything about the $10,000 at that time; that was never acted on; when I first tried for a loan the matter came up that it would be probably necessary to have that power of attorney and it was never acted on.

Q. Did you endorse all those notes? A. I think not; I think they endorsed them themselves, if I remember right.

Q. Did you endorse the notes as attorney? A. No, my recollection is I did not.

Q. We have one of these notes that we got down at the Department, I think it was sent down there from the Milton Branch (EXHIBIT 3). A. I endorsed that note under that power of attorney, but my memory was that they had signed them themselves, each one, so I have to withdraw that; that is all. I did not think I had acted under the power of attorney.

MR. COMMISSIONER: Are any of these other notes that were hypothecated to the Trusts and Guarantee Company available?

MR. HODGINS: Yes, if they have not been collected they will be and I will have Mr. Clarkson produce them.

Q. Where did that note come from? A. This note was sent out to Milton and was discounted.

MR. COMMISSIONER: Which note is it? A. The note of Robert L. Brown for $4,500.

MR. COMMISSIONER: That does not appear to be in this list (EXHIBIT 44).

MR. HODGINS: No, because that note was got from the Trusts Company much earlier than the 12th March, 1907, and was sent out to the Milton branch and gave rise to Mr. VanKoughnet's letter, that with others.

Q. I see in the evidence which you gave in the Stratton case, you were asked this question: Q. "Then when you saw Mr. Warren the loan you applied for was a personal loan to yourself giving these notes as collateral security? A. I won't say I put it that way in the first place, it was finally made in that shape"? A. That is exactly what I say now.

Q. That is what it finally came to as being a way of getting the loan through and avoiding some difficulty? A. Exactly.

Q. What was the difficulty? A. The difficulty which would arise in Ottawa.

Q. What was that? A. As to whether the money was borrowed on the shareholders notes or not; no doubt that is what the difficulty was.

Q. You think we ought to be able to find in the Trusts Company some other paper referring to subscriptions, some hypothecation signed by you? A. No, I do not think it would be in the Trusts Company. It should have been among the bank papers, if at all; I must have got those back.

Q. It should have been transferred back at some time? A. Yes.

Q. And so far as you know you left it in the bank? A. I did.

Q. If it does not appear there and has never been mentioned from that time down to the present time, perhaps your recollection may be wrong about it? A. It might be; a lot of important papers have disappeared since this thing started. I am at a loss to know where they have gone to, myself.

Q. The $80,000 was not enough, you had expected it would be enough and you found later on that you wanted $20,000 more? A. Yes.

Q. And that was raised upon the same company, was it not? A. Yes.

Q. And on the hypothecation for that; this is the cheque with a copy attached? A. Yes, that is the cheque for $20,000.

EXHIBIT 46:—Cheque of Trusts & Guarantee Company, payable to the Bank of Montreal for credit to Farmers Bank of Canada, with Finance Minister and Receiver General, $20,000, dated the 23rd October, 1906, with copy attached.

Q. What was the security given for that? A. The security was $20,000 worth of Canada Loan & Savings Company stock and $9,000 note of F. W. Stairs, and a $2,500 note of Lindsay's, which note I borrowed for the occasion; that is as far as I remember, there may have been one or two other notes.

MR. COMMISSIONER: The Canada Loan & Savings Company, where is that company? A. It has gone out of existence now.

MR. HODGINS: Was it absorbed by the Dominion Permanent? A. I could not say, being out of business so long, I have lost track of it.

Q. Did any subscription notes go with that? A. Yes, I have just mentioned that F. W. Stairs, $9,000, that was a subscription note.

Q. That was one of the ante-dated subscriptions? A. I do not think this was. (Refers to Exhibit 19). Application, October 9th—so that is before.

Q. That was the stock subscription note and was Lindsay's?

MR. COMMISSIONER: He says Lindsay's was an accommodation? A. Lindsay's was an accommodation note.

Q. What else was there besides those two notes? A. That stock.

Q. Were not there as a matter of fact notes belonging to the shareholders? A. I think there were, but I cannot say positively, I do not remember.

Q: I will be able to get that; we cannot lay our hands on it for the moment, but I know there were a few of those notes? A. Yes, I think there were two.

Q. How did Lindsay come to join in giving you an accommodation note? A. At my request.

Q. Why should he do it? A. He was helping me in every way he could.

Q. He was I suppose as interested as you were in getting the certificate? A. He was as much interested as I was, and he wanted his commissions and he wanted to go on selling the bank's stock after we were organized.

Q. You got the $20,000 and paid that in? A. I did.

Q. And that completed the amount? A. That completed the $250,000 that was required under the Bank Act.

Q. So that down to that time you had no anticipation you would have any trouble? A. I had not.

Q. Then came in the Laidlaw difficulty? A. Yes.

Q. And we know how that was got rid of; I would just like to ask you a question about some statements in the affidavit you filed then. The date of the writ of summons I see is the 22nd October, 1906; in that affidavit just to get that in proper sequence, you say: "About half past one o'clock of Tuesday, the 23rd October, inst. I was served with a copy of the writ of summons"—this is the affidavit you made for the purpose of getting rid of the action? A. Very likely.

Q. You say it was done for the purpose of preventing, "if possible to prevent the complete organization of the bank"? A. It was done because Mr. Laidlaw came to me and asked to be solicitor of the bank and divide the commissions, and if I did not accede to it, he would burst it up; that was the reason it was done.

Q. You knew his purpose in the suit, at least you thought you knew, was to prevent the bank being organized? A. That was his purpose; he wrote to these people and invited them to bring suit. I wanted to bring it before the Law Society.

Q. Well, there is nothing to prevent you doing it yet. You were served at half past one on the 23rd, and the deposit of the last $20,000 was on the 23rd; which took place first, the service of the writ or the deposit of the last $20,000? A. I could not say.

Q. In this writ, I am not going to go through it, but you set out in detail each of the subscribers, the date of his application, and whether or not he paid or did not pay any money, and whether he gave notes and their date and due date and so on; those were all accurately taken at that time? A. I should say they were.

Q. And you say that on or about the 22nd October, the total subscriptions for stock in the Farmers Bank of Canada as duly entered in the books of the company amount to the sum of $566,700—where did you get that from? A. I suppose we took it from this book. (Stock subscription book).

Q. Did you go over those with Lindsay carefully before he went out to get rid of these subscriptions, each of these subscriptions? A. As I have sworn before and many times, and I swear now, Lindsay got a revised list of all subscriptions every time he came into the office.

Q. I see you state you deposited the final $20,000 at 12 o'clock noon, on the 23rd, so that it would be an hour and a half ahead of the writ? A. That must be right. I stated the facts to Mr. George H. Watson, K.C., and he prepared the affidavit for me and I swore to it.

Q. "The deposits before referred to were made and the receipt from the bank obtained before I had any notice of the proceedings in this action by the plaintiff and the draft before referred to payable to the order of the Receiver General was also duly obtained and posted before I was served with a copy of the said writ".

EXHIBIT 47:—Writ in action of John Sproat *et al v.* Farmers Bank *et al,* together with affidavit of W. R. Travers.

Q. You had to borrow money to get rid of the Laidlaw subscriptions? A. I did.

Q. To the extent of $2,380; what was the security given for that? A. I gave the security of my own life insurance, which my wife endorsed over to the company.

Q. Did you call on Lindsay for anything more then? A. No.

Q. You were insured in the Excelsior Life? A. No, the Canada Life.

Q. This is the Excelsior Life; look at that? A. Yes, that is one of them, but I had two or three policies.

Q. Did you assign more than one? A. My recollection is that I assigned this one and the Canada Life. The Canada Life I took out when I was a young man and it was very valuable, and it is yet; that is the one I think we put the most dependence on.

Q. That loan according to the particulars here did not go through until 27th October, and that is the very day you got the action dismissed; who advanced the money in the meantime? A. I borrowed the money from Mr. Warren, the Trusts & Guarantee Company, and the money was deposited to Lindsay's credit in the Bank of Montreal. Lindsay went out and gave his own personal cheques to each of these people as he settled with them.

Q. Do you know at all whether you got the money from Mr. Warren in advance of this loan being completed? A. In advance of the $20,000 loan.

Q. No, in advance of the date at which the money was put to your credit by the Trusts Company? A. No, I cannot say that. My recollection is that I got it just the same day I deposited it to Mr. Lindsay's credit, which would be the same date as this paper; I am not sure about that.

Q. Apparently you did not get it till the 27th, which was the day you got the action dismissed, and the payments had been made several days before that; I was wanting to know whether you could recollect whether you borrowed that money or had it actually on hand? A. No, I had not the money till I borrowed it from Mr. Warren, whatever date it was I could not say exactly now.

Q. I will put in these papers: I see Lindsay was a witness to this assignment of policies, so that I suppose he knew about the transaction? A. Everything I knew, he knew until the date we parted on the Commission.

Q. That was the following year after the bank was organized? A. About that I should think.

Q. Look at that and tell me if that indicates correctly the loan and its repayment? A. Yes, I should say that is a statement of the loan I made, $2,380.

EXHIBIT 48:—Statement *re* loan of $2,380, assignment of Excelsior Life Insurance policy and certain notes together with correspondence between Mr. Travers and the Trusts & Guarantee Company.

Q. Lindsay actually paid these people back the money that they had paid on their Laidlaw subscription? A. I presume he did, he brought the assignments in.

Q. He brought the assignments back and so it would appear in his bank that he had actually made the payments? A. That is what I understood.

Q. And were those payments, although made to these people by Lindsay, paid back, left on the list which finally went down to the Finance Minister? A. They were.

MR. COMMISSIONER: We have all that proved and the list shows it.

MR. HODGINS: Proved by whom?

MR. COMMISSIONER: Lindsay was asked that, and the list shows it.

MR. HODGINS: I want to get the fact from the man who knows it.

MR. COMMISSIONER: The proper way to get the fact is from the documents.

MR. HODGINS: I have found the papers connected with the twenty thousand dollar loan; see if that is correct; those are the papers, are not they, relating to

that? A. Yes, I will have to qualify my statement now that we put in other stock besides the Canadian Savings & Loan: I see also we had thirteen shares of the Dominion Permanent which I had forgotten.

Q. Whose shares were those? A. They were taken on account of subscriptions to the Farmers Bank, turned in as cash.

Q. Do you know to whom they belonged? A. My recollection is they belonged to W. G. Sinclair. I think they were in W. G. Sinclair's name, endorsed in blank; that is to say that the power of attorney on the back was endorsed in blank.

Q. In addition to the two notes you have assigned, there was a note of M. M. Devean "held as collateral to the above referred to shares of the Canadian Savings Loan and Building Association for $15,000"? A. Yes.

Q. How had you acquired that note? A. Devean subscribed for twenty thousand dollars worth of stock, and turned in the Savings Company's stock in payment of it.

Q. And had given you a note for fifteen thousand dollars? A. And he gave me a note as well.

MR. COMMISSIONER: Is that quite accurate? Had not he turned in as collateral security?

MR. HODGINS: This is held as collateral to the above referred to shares—? A. Turned over from the Bank to the Trusts Company he is referring to now.

Q. "The following promissory notes, M. M. Devean, Toronto, held as collateral to the above referred to shares of the Canadian Savings Loan and Building Association for $15,000"? A. That refers to the hypothecation to the Trusts Company, does it not?

Q. No, I should take it that Devean had given you this note and you held these shares as collateral for the payment of the note? A. That is not the way I understood it then. My recollection of it is I got him to give me the note afterwards to satisfy Mr. Warren's ideas about it; I do not think at the time he subscribed twenty thousand dollars stock that he gave the note; I think we accepted that stock. He is here and he will be able to tell that for himself.

Q. You think you accepted that stock in payment? A. Of the shares.

Q. And took no note? A. And took no note at that time.

Q. Did you get it for the purpose of this loan? A. Yes.

Q. To satisfy Mr. Warren? A. That is my recollection.

Q. There were no subscriptions transferred in this case? A. No, I see nothing there.

EXHIBIT 49:—Agreement between Travers and Trusts & Guarantee Company for loan of $20,500, and correspondence between Travers and Warren and others.

MR. TRAVERS: After seeing that document it seems to me it was something similar to that that they took the assignment of the subscriptions.

Q. After the loan had been got and the money sent down and Laidlaw got rid of the 27th October, the next thing was the meeting which we dealt with; immediately after the meeting you started in to get the certificate—

MR. COMMISSIONER: Before you pass to that perhaps it would be just as well to find out when the loan was paid and what money paid this loan on policies?

MR. HODGINS: I think we have dealt with the payment of the eighty thousand dollar loan; then how and when was the twenty thousand dollar loan paid? A. The Trusts Company opened an account with the Farmers Bank after we opened our doors for business, and we also opened a current account with them. I placed the twenty thousand dollars to their credit at various times in various amounts; I would have to see.

MR. COMMISSIONER: In the books of your bank? A. Yes, which they chequed against.

MR. HODGINS: Here is the statement of the payment of that twenty thousand dollar loan charging interest and showing payment, would that accord with your recollection (Exhibit 50)? A. It may be, but it does not appear the same to me at the present moment.

EXHIBIT 50: Statement re $20,000 loan.

Q. You think that is not quite accurate? A. It does not strike me as so; I have in mind at the present time that it was paid differently from that.

Q. We will be able to tell probably when the books are gone through; your recollection is that it was not paid in one sum like that? A. No, my recollection is that it was paid in half a dozen different sums; that is my recollection.

Q. Through what years? A. It would be in January, February and March, 1907, or February, March and April, 1907; I think it spread over two or three months.

MR. COMMISSIONER: There should have been the two accounts—

MR. HODGINS: The first three months of 1907 have some very curious entries in them and I will have to go into that later on? A. That looks like a statement of the loan, not a repayment of the loan.

Q. Yes, there is the date of re-payment, December 10th, 1907.

MR. COMMISSIONER: The item is C. 1193? A. I may be wrong about the time that was paid, along in January, February and March, but I know the bank books will show the amount went to their credit in different amounts.

MR. HODGINS: You got twenty thousand dollars, but the loan appears to be twenty thousand five hundred dollars? A. $500 was a bonus.

Q. Who arranged that? Mr. Warren.

Q. What did he want a bonus on that for? A. For the accommodation giving me twenty thousand dollars in cash.

Q. Was there any difficulty in that as there had been in the previous one? A. No, he did not hesitate about that loan at all.

Q. Nor did you hesitate I suppose about the commission? A. No, I did not.

Q. Did Mr. Hunter intervene at all in connection with that? A. No, I do not think Mr. Hunter had anything to do with that at all.

Q. The transaction of the $2,380 loan, was any commission paid on that? A. Nothing but straight interest.

Q. When was that paid back? A. The bank books will show that.

MR. COMMISSIONER: I thought the statement put in showed that?

MR. HODGINS: Oh, yes, there is a statement. Just look at that which is part of exhibit 48—it is a curious thing, but it has the same date for the re-payment of that loan as the twenty thousand dollar loan, as I read it? A. I do not make that out; it looks as if it was a statement of the Trusts Company regarding that $2,380 loan.

Q. What do you say as to its re-payment? A. The only thing I can say about that would be to look and see the date in the bank's books when it was paid.

Q. Was it paid by you personally or out of the funds of the bank? A. It was paid out of the funds of the bank.

MR. COMMISSIONER: What was it charged to? A. My recollection is it is charged to organization expenses, I could not say positively about that now without looking at the books.

MR. HODGINS: To deal with the question of making up the list, who took part in making up the list that went down to the department? A. Mr. Fitzgibbon compiled it from this stock subscription book (Exhibit 18) and it was looked over by Mr. Hunter, and before it went down to Ottawa, Dr Beattie Nesbitt took a hand in it.

Q. Who else? A. And myself, of course; that is all.

Q. Mr. Fitzgibbon was the accountant of the bank, was not he? A. He was.

Q. He had joined, I am told, on the 19th November? A. Yes, and here let me contradict some evidence that he gave; he swore to this Court that he had protested against me raising the money on those notes; how could he protest against my raising the money on those notes when he did not enter the bank till the 20th November, and I raised it on the 19th October?

Q. We will see how far that is a just observation a little later; he did join on the 19th, and the list went down to Ottawa when? A. Soon after the 26th, I think on that same night.

Q. I suppose you will agree that anything Fitzgibbon knew he learned from someone in the bank when he started to compile the list? A. Yes, certainly, acted under my instructions.

Q. But the information he had with regard to the subscriptions would be what he would get when he joined? A. What he would get from the books.

Q. Only from the books? A. The books speak for themselves.

Q. I am asking the source of his information? A. He would certainly get information from me.

Q. And from any one else? A. No, he would have no right to ask information from anybody else.

Q. You do not know of his getting information from anybody else? A. I saw him speaking to Mr. Hunter once or twice; he must answer for himself about that; I do not know.

Q. He made up a list, and he submitted it to whom? A. The list was looked over by Mr. Hunter.

Q. Before you saw it? A. No, I saw the list from time to time as he made it up.

Q. Just tell me this, is it not the case that you and he and the others you have mentioned sat about and either you had the list or arranged what credit should go on them? A. Are you referring to the borrowing?

Q. No, I am referring after the borrowing was over, and the meeting was over, and you were getting the list up to send down to Ottawa? A. Yes, quite so; the list of names were taken from the book just as they were in the book, the amount paid on them was arranged between Dr. Nesbitt, Mr. Hunter and myself, as to the amount that we should show paid on each one.

Q. How was the information got on which you and Dr. Nesbitt and Mr. Hunter acted? A. I do not understand your question.

Q. Who would know how much was to be appropriated to each subscription? A. That is the matter we arranged ourselves, some suggested one thing and some suggested another; we finally came to a conclusion as to just how we should make it up.

Q. Was the list that went in the result of your joint work? A. Yes, it was.

Q. There are on that list without going into particulars the names of people who had never paid anything at all in cash, who had given no notes? A. Yes, I am sure there was.

Q. How were those treated? A. I will have to compare them to see; my recollection was in giving evidence before that we did not put any payments against those.

Q. I would like you to compare that? A. I am not sure about that; I will have to compare it; we may have done it.

Q. I would like you to compare that list? A. If I have the list and the time I will be very pleased to help you all I can.

Q. The only other way is for me to ask you to look at the list and verify probably two dozen names? A. It is pretty hard, about 800 names, to remember every name on it.

Q. Probably we can shorten it up by giving you the list ourselves. Look up T. Cox? A. Yes; what do you want to know.

Q. I want to see what it shows in the return to the Government, if he is in? A. The return to the Government he is in it, $5,000 and $500 paid up, I think.

Q. How is the truth as to that? A. My impression is he gave a note; you would have to look in that list of notes to the Trusts Company.

Q. Can you tell me if he paid anything up? A. I cannot tell you.

Q. What do the books show? A. This book shows the whole thing, amount paid $5,000.

The Commission adjourned at 12.45 to 2.15 P.M.

The Commission resumed at 2.15 P.M., May 15th, 1912.

Examination of W. R. TRAVERS continued.—

MR. HODGINS: After discussing the matter with Mr. Travers I think we can give subject to verification by Mr. Clarkson, a list of all those who had given notes at that time. A list has been made of the notes which were withdrawn afterwards from the Trusts & Guarantee Company, and were transferred to the Milton branch and probably another branch; Milton seems to be the one chiefly used, and that accounts for all the notes that were used on these three loans.

MR. COMMISSIONER: You had better verify it before you put it in. Mr. Clarkson is here, is not he?

MR. HODGINS: One of the Mr. Clarkson is here.

MR. COMMISSIONER: There will be time enough to verify that and put it in right.

MR. COMMISSIONER: What does the witness say about it? Does he know anything about it?

MR. HODGINS: I have shown you, Mr. Travers, this memorandum which states the amounts of the notes handed the Trusts and Guarantee Company on the three occasions

MR. COMMISSIONER: In gross.

MR. HODGINS: Yes, and then the gross number of notes charged to the Milton branch, and then the details of each of those charges to the Milton branch A. Yes.

Q. You have looked over those I think? A. I have.

Q. Are you able to say whether if those appear to be properly taken from the books of the bank they would account for all the notes that were on hand at the time these loans were made? A. I would.

Q. And at the time this list was sent in to the Government? A. Yes.

MR. COMMISSSIONER: Is that quite so, because I notice among the papers receipts for notes returned to the bank?

MR. HODGINS: Yes.

MR. COMMISSIONER: That would not show all those?

MR. HODGINS: It would include those.

MR. COMMISSIONER: In some cases there were one or two notes handed back according to one of these exhibits.

MR. HODGINS: Practically all the notes were handed back, and then sent by the head office—

MR. COMMISSIONER: Were they all discounted at some office of the bank?

MR. HODGINS: There are three notes; the Denoon note was returned to the bank—perhaps if I show you this, you see those are the amounts of the notes in the

first line, and that in the second and that in the third. These are the charges to the Milton branch; there were three disposed of otherwise; leaving this balance accounted for by those, and an unexplained balance of $520.

MR. COMMISSIONER: Take, for instance, this, Joseph E. Bate, $500; Geo. A. Bell, $270; apparently they were taking them out and discounting them.

MR. HODGINS: Yes, at the Milton branch.

MR. COMMISSIONER: I see those notes were falling due; that was probably the reason. The witness says that accounts for all the notes he thinks.

MR. HODGINS: Yes; this would account for all the notes; you saw the list of notes that had been in the hands of the bank and were extant when the list of shareholders was prepared to go to the Minister of Finance? A. Yes; I would say I would feel confident that this list as prepared by Mr. Clarkson is correct.

Q. And would show that fact? A. And would show all the notes that we had on hand at that time.

EXHIBIT 51: List of notes.

MR. COMMISSIONER: That went through the Trusts & Guarantee Company? A. Yes. I remarked before the Commissioner took his seat that I thought there might be two or three notes on hand that did not go to the Trusts Company for which the accountant—

MR. HODGINS: Mr. Fitzgibbon could give us those? A. He should be able to tell you that.

Q. Subject to that this would apparently account for all the notes on hand at the time the list was made up? A. Yes, I would say it would.

MR. COMMISSIONER: Not simply those that went to the Trusts & Guarantee Company, all that they received from the subscribers.

MR. HODGINS: Yes; the list itself which was deposited with the Trusts & Guarantee Company originally does not appear to have been ever discovered.

Q. I notice in going over the list of payments which are credited upon the list sent to the Minister of Finance that there is quite an amount of cash credited to almost every subscriber on the list? A. Yes.

Q. Some of those were undoubtedly paid and are correctly shown? A. Yes.

Q. Some of them had given notes? A. Yes.

Q. How did you treat those who had given notes? A. We showed a certain percentage of the subscription as having been paid in cash.

Q. In the list which I have and which I will have to verify by Mr. Clarkson it would appear that in quite a number of cases the full value of the note is marked as paid up in cash, and in some cases a very much smaller amount than the face value of the note is credited in cash; why was that difference made? A. I could not answer that.

Q. Just to illustrate; there is W. R. Kennedy, who had a note for five hundred dollars; he is put down as having paid $250 in cash; take another illustration, G. W. Sinclair, there were notes for six thousand dollars and you put him down as having paid up only $500. In most of the cases you show the full amount of the note as being paid in cash? A. We tried to put ten per cent on as nearly as we could, but in order to distribute the hundred thousand dollars we had to allocate different amounts here and there to different subscribers; that is the only way we could account for it.

Q. There are some, for instance, W. Beattie Nesbitt and E. H. Honeywell for which you held no notes, they are put down as having paid in cash three thousand dollars, and $2,500 respectively? A. Three thousand dollars shown on account of Nesbitt, I am not sure whether we have the note or not; I could not say so.

Q. There is no note shown? A. No, we have no note for that; I remember now there was no note for that.

Q. W. H. Honeywell is another credited with having paid twenty-five hundred dollars and no note for that? A. No, I do not think there was.

Q. J. Sproat, one thousand dollars, there was no note for it? A. That is ten thousand subscription is it not?

Q. That was one of the Laidlaw ones? A. Yes.

Q. There is Patterson, Beatty, Campbell, also Laidlaw subscribers, were they not? A. Yes.

Q. Hume, Dixon, McLeod and Sinclair? A. Sinclair was not.

Q. McLeod was and Dixon and Hume, W. J. Lindsay is shown as a payment of five thousand dollars; there is no note from him? A. Nothing but that twenty five hundred dollars which he put into the Trusts Company, but I did not take that with any idea that it was on account of—

Q. That was an accommodation note? A. Yes.

Q. Do you remember a subscription from a man named Witham, thirty five hundred dollars? A. Yes, twenty five hundred dollars was it not?

Q. Yes, thirty-five hundred dollars, I am instructed? A. I think it was twenty-five hundred dollars.

MR. HODGINS: I am instructed that that to your knowledge was not to be alloted until Lindsay had sold certain lands of his? A. I did not understand that it was not to be alloted; I understand it was subject to a payment.

Q. You knew it was conditional? A. Yes.

MR. COMMISSIONER: What was conditional? A. It was conditional upon Lindsay selling some real estate for him, if I remember right.

Q. The subscription was conditional? A. The payment.

Q. He was not to be called upon to pay? A. Until Lindsay had completed some real estate transaction.

Q. There are five subscriptions for five thousand dollars: Joseph E. Bate, Jennie B. Geer, T. L. Cox, D. C. Kemp, and George Storey, each for five thousand dollars, which I am told were known to be worthless; what do you say to that? A. I say that is the fact.

Q. Were they known to be worthless at that time? A. Not just at the time that the subscriptions were taken but before the list was sent to the Government—

Q. That is a copy of letter dated March 29th, 1906, to Witham, it appears on the file here; had you knowledge of that letter? A. It is the first time I have seen that letter or ever heard of it.

MR. COMMISSIONER: You may as well mark it.

EXHIBIT 52: Copy of letter W. J. Lindsay to A. J. Witham, March 29th, 1906.

MR. HODGINS: Then there are a number of subscriptions included in the list which were afterwards cancelled. I would like you to say whether cancellation was in pursuance of any previous arrangement, in other words whether they were subscriptions to be put on the list but with the full knowledge that they would be cancelled afterwards or not: There is Neil Stewart? A. Neil Stewart is one of the Laidlaw ones I think.

Q. No, Shuert; this is Neil Stewart? A. All I can say to that is we found from time to time that there were certain ones it would be difficult to collect and we cancelled them; there were, as I stated, a number that we had to cancel, such as those you have gone over with me before.

Q. I will just read this list and if you listen to them all, probably some name will strike you: Neil Stewart, $2,500; Thomas Aitkin, $1,500; Robert Bell, W. T. Beatty, $2,000; G. Daniels, $500; Ella M. Beatty, $100; T. Elliott, $500; T. Hunter, $2,500; Alice Hamilton, $500; G. Laird, $1,000; A. Matthews, $500; J. Pell, $900; E. C. W. Snelgrove, $1,000; Eliza Weir, $300; L. Cheyne, $500; R. W. Fox, $1,500; H. F. Johnston, $200; M. Beattie, $500; T. Cawey, $200; E. Church, $100; J. Dewar, $500; J. Fortier, $300; P. Sayers, $100; Eliza W. Harton, $300; J. Sunstrom, $2,500; T. Elliott, $500; T. Alderson, $500; J. G.

Fitzgibbon, $100; G. H. Thompson, $3,500; J. Walker, $2,000, making $29,100 in all; those were afterwards cancelled? A. Yes. They were subscriptions on which no payments had been made, and in many cases their notes had been given that we could not collect, and I wanted to get them out of the road for a deal with some people in Winnipeg, I think, if the dates correspond rightly.

Q. Later on? A. Yes.

MR. COMMISSIONER: Some of these are credited with amounts paid? A. Yes.

MR. HODGINS: I think what I want to do is to make up a list of those which are correct, a list of those that had notes showing amounts credited and list of those who paid nothing and are credited; I can make that now from information I have.

MR. COMMISSIONER: Yes, that would be useful for reference.

MR. HODGINS: Before I just go into the matter of one or two things that occurred in Ottawa I would like to say I have gone over your printed evidence in the Stratton case, and I do not find that anything was said by you at all in that either in examination in chief or in cross-examination about subscriptions; what you said was: "We took certain promissory notes from subscribers to the amount of about one hundred and nine thousand dollars I think, and I thought at the time that I needed eighty thousand dollars, and I approached Mr. Warren to loan me that sum of money with collateral security on these notes". And later on the question was: "That is they were to advance the $80,000 on the notes, these farmers notes, for which they were to get the bonus and interest specified? A. Yes. Q. Did you tell him (that is Warren) what the provisional board had done? A. I told him I had power from provisional board to endorse notes over to him". There is nothing in the power of attorney that I see to authorise you to do anything, to endorse notes or assign notes over? A. No, I believe not.

Q. This was on the 11th October. You had explained, had you, to Mr. Warren, about these notes furnished by the provisional directors? A. Yes. I explained to him that they were notes taken by the provisional directors on account of the subscriptions.

Q. "Then did you state how long you wanted that loan for? A. Yes, thirty days or thereabouts."

Q. Then on cross-examination, Mr. Watson reminds you that, on the 8th October the provisional directors gave a power of attorney to you for the purpose of endorsing notes in their names as provisional directors, and authorised the secretary to hand over all notes to W. R. Travers for the said purpose." And then there is at page 81 these questions:

Q. "You had obtained the loan at the time? A. Yes, I had obtained the loan. Q. You had used the notes and obtained the loan? A. I had."

Q. I do not find there is anything further about that? A. When you brought the matter up this morning it just came to my mind that there was an extra document attached hypothecating those subscriptions, and as I stated this morning I am not absolutely positive about it, but it is very strongly impressed upon my mind at the present time.

Q. This was the list, exhibit 19 on the King v. Stratton and Warren trial (now Exhibit 17)—kindly look at that—"You identify that in all case as being a copy"? the Crown Counsel asked you? A. I identified this yesterday as being a copy.

Q. That is the same one? A. Yes; we took care the first time it was produced to see it was correct.

Q. You see quite a number of pencil marks on it; the Commissioner has called attention to it that there is the letter "w" opposite some of them, and other pencil marks; do you know who has made those? A. I think that is my own as far as I can tell; worthless, is what I think I intended it for.

Q. When were those pencil marks made? A. One of the officers of the Court I think—

Q. It was after the suspension? A. Yes, it was after the trial commenced that I think these marks were made.

Q. Look at that cheque, I am instructed that that paid off the $20,500 loan and also the $2.380 loan, and probably something else, but that it certainly included those two? A. Yes.

Q. It is marked exhibit "14" in the Stratton and Warren case, is it not? A. Yes.

Q. Could you say what that included? A. That would be $20,500 and $2,380 and interest.

EXHIBIT 53: Cheque of March 12th, 1907, for $25,344.80, to the Trusts & Guarantee Company or order, signed "Farmers Bank of Canada, W. R. Travers, General Manager".

Q. Look at this $500 cheque payable to yourself and say what that was for? A. That was the Commission on the $20,000; that was taken out immediately the loan was made, endorsed over just for convenience.

Q. Is it made payable to you; whom did you endorse it to? A. I endorsed it and handed it back to him.

EXHIBIT 54: Cheque of the Trusts & Guarantee Company to W. R. Travers, Esq., for $500, dated 23rd October, 1906, endorsed by W. R. Travers, and also by the Trusts & Guarantee Company "James J. Warren, Manager".

Q. Can you tell me what this memorandum is, in whose handwriting it is, and when it was compiled? A. That is Mr. Fitzgibbon's handwriting.

Q. When was that compiled? A. I think that was a memorandum he made up at the time we were spreading that money over the subscriptions.

Q. Was that the occasion in November or was it on the following May for the purpose of that special return? A. Now I have changed my mind by going a little more carefully into it; I think that was a special return prepared in May, 1907; Mr. Fitzgibbon can answer that.

Q. After the list was prepared I suppose it was added up to show the amount that was paid? A. Yes.

Q. Was there that amount in the bank? A. No, there would not be that amount; there would be including—

Q. You had got $150,000 from the provisional directors, did you get any more from them? A. $150,000; there was about $42,000 that was spent, and the $100,000 that we borrowed would be $292,000; it was very close to that amount taking that altogether.

Q. So that the way in which the amount paid up in that list that went to the Finance Minister was made up would be $150,000 which had been handed over by the provisional directors, $42,000 odd which they had spent in expenses, and one hundred thousand dollars borrowed from the Trusts & Guarantee Company? A. Yes, that is the way the amount was made up.

Q. When that list (Exhibit 17) was prepared was it signed or initialled by anybody? A. By myself only I think; looking at this and seeing this certificate on it signed by myself I would say that it was signed by myself alone only.

Q. The results had been arrived at, what we have described as the spreading process, in conjunction with the others you have named—? A. What is that?

Q. Had the result been arrived at in the spreading process you have described in conjunction with the others? A. Yes, Mr. Fitzgibbon first drafted out his idea, and he passed it on to me, and I formed my opinion, and Dr. Nesbitt had a look at it and he formed his, and Mr. Hunter ran over it and he formed his, and after a while we worked it out; that is all I can say about it.

Q. After you went down to Ottawa you say you had three interviews with the Finance Minister; could you tell us about one—you were introduced by Mr. Calvert on that first occasion, were you not? A. Yes.

Q. I judge by some papers I have here that you may have known him, or some one connected with the Bank must have known him for some time prior to that? A. I did not know him prior to that very long; he was supposed to be a warm friend of Mr. Lindsay's.

Q. Your letter of introduction came from Lindsay or Mr. Urquhart? A. No, I met Mr. Calvert before I went down there, but Mr. Urquhart gave me a letter to him, as he said he was influential, to urge his assistance.

Q. He had been assisting, had he not, in the early part of 1906 in seeing people in Ottawa with regard to taking stock? A. I heard so, I did not know it.

Q. That would be through Lindsay? A. Yes.

Q. Was there anything definite arrived at in that first interview with Mr. Fielding where you discussed the various subscriptions as to which you said he appeared to be informed? A. No, there was nothing settled; he said he was very busy, I would have to come back again, and let me know when to come; he also said that there had been so many irregularities about other banks' transactions with him with reference to their getting their certificate and he had to use a little caution.

Q. Any reference made to the Budget speech at that interview? A. Yes; he told me he was busy; that is the excuse he made for putting me off, that he had to deliver his Budget in a day or two, in fact I think he set the day; I cannot recall the day just now—that he was too busy. I know I went to the House and listened to it.

Q. You went to the House, and it was after the Budget speech you had the second interview? A. Yes.

Q. Where did that occur? A. Occurred in his office.

Q. On the last day of all? A. The day I got the certificate.

Q. It must have been earlier in the day? A. If my memory serves me right it would be about eleven o'clock.

Q. A letter has been put in from the Finance Minister stating that he would see you? A. Is that letter regarding the raising of the money?

Q. It is a letter dated 30th November stating: "I regret that owing to pressing engagements yesterday, arising out of the Budget, I was unable to meet you to consider your application for the issue of a certificate to authorize the Farmers Bank of Canada to commence business. I shall be glad to see you to-day at my office, at any time before one o'clock if you can call. Or I might be able to see you later, between four and five, at the House of Commons, if that will be more convenient."

Q. That is the date on which your letter in reply is dated; what time of day did you have your second interview with him? A. I was over there first; after receiving that letter I went over to see him then. He put me off till the afternoon; in the meantime he wrote me another letter asking me whether I had borrowed any money on notes, and then I answered that letter and followed it myself soon after.

Q. At the second interview, where you state he put you off till afternoon, was anything discussed? A. No; the meeting was very brief; he said he had not had time to give it any attention.

Q. He says "If you call at my office any time before one o'clock"—was it before one o'clock on November 30th? A. Yes, I called there either about eleven or between eleven and twelve.

Q. Then you came back, or rather I understand from you that you say you got a letter from him? A. Yes, there was another letter followed that.

Q. This letter goes on to say—there is only the one letter produced—"It has been represented to us that in some previous instances where an application was in all respects apparently regular, there was actually an evasion of the intention of the Bank Act in relation to the paid-up capital. We have been told that in some cases the subscribers did not actually pay in cash, but gave notes to the provisional directors which were used to raise the money". That is the letter which I read you the beginning of? A. That is the letter I had reference to then.

Q. Would that alter your recollection, and would you say you got that letter before you called on him in the morning? A. Yes, I got that letter, and I called on him, and he was too busy to see me, and I went over to Mr. Guthrie's office, and answered that letter, and then I called on Mr. Fielding again later in the day, I should think it would be four o'clock, and then I got my certificate.

Q. And you had your answering letter in your hand? A. No, I sent it over before I got there.

Q. Prepared in Guthrie's office? A. Yes.

Q. Was Guthrie there? A. Yes.

Q. Guthrie said you came over, but he did not remain? A. I read his evidence, I think he is mistaken.

Q. He said he was just going out and was putting on his overcoat and you wanted to use the office, and he said,' 'Use it", and he left you preparing that letter which he never saw, and you did not consult him in the matter at all with regard to the question raised by the Finance Minister? A. I told Mr. Guthrie that I had made that loan personally, and that I had made the loan personally so as to get over any such letter as I expected to get, and he told me I was perfectly justified, and it was quite honest on my part to answer it the way I did.

Q. You had gone down with your solicitor, Mr. Hunter, and owing to the questions the Finance Minister had raised he came back to Toronto and he sent you down the subscriptions according to what you said? A. Yes, I got them there, I am quite satisfied he did.

Q. He did not come down again? A. He did not come down again.

Q. Why did you go to Guthrie? Guthrie had been representing Smith? A. Guthrie was acting for Smith and we made up friends; I did not want to get the business too public.

Q. And you went to him? A. So I went to him.

Q. On your return to Mr. Fielding was anything said, was the question of the subscriptions raised again? A. No; the last time I got my certificate it was very brief; we hardly touched on the matter at all; we were talking about other things.

Q. Did he ask to see any of the subscriptions which you had sent down? A. No he did not, but I am under the impression that Mr. Boville or Mr. Boville's assistant looked at some of them; I remember taking them over.

Q. They are all here, a pretty large bundle? A. Yes, but they were not in that shape. We had them all in condensed form.

Q. So that it was possible to carry them about? A. Yes.

Q. What is your recollection of any one in the Finance Department looking at them? A. My recollection is I think it was Mr. Boville.

Q. What day did you see him then? A. I saw him the day after Hunter left—no the second day after Hunter left, after I got the subscriptions; Hunter got back the next morning, and I got them the following morning. Could I ask Mr. Fitzgibbon to jog my memory?

Q. No; I am taking your memory now. Just look at that letter which I wish to put in; that letter you got, did you not? A. Yes, I got that letter.

Q. That is dated the 29th November? A. Yes.

Q. And as you got your certificate on the 30th I suppose if Mr. Boville saw those subscriptions he would have seen them on the 30th? A. On the morning the first time I went over.

Q. Is that the morning you went over and just saw Mr. Fielding for a moment and was put off till the afternoon? A. Yes.

Q. You took over your subscriptions with you? A. Yes, that is my recollection.

Q. Who asked you to show them to Mr. Boville? A. I do not think anybody asked me; I was speaking to him as I passed in, and laid them down.—

EXHIBIT 55: Letter of the 29th November, 1906, from J. Fitzgibbon to W. R. Travers.

Q. You said you laid the subscriptions down when you were speaking to Mr. Boville; what did you do that for? A. I just invited him to look at them.

Q. The Minister had not raised any question, had he? A. No, but I was preparing myself to be ready.

Q. I do not see why you tendered them to Mr. Boville if he did not ask for them? A. When we went in the first time we showed everything to Mr. Boville, all our notices and affidavits and everything.

Q. You could not help doing that, he had them; did he take any time to look at them? A. Yes, I think he turned up one or two.

Q. He has not said a word about that? A. I read his evidence, but I am positive that we looked at two or three of those subscriptions.

Q. Do you know which ones he looked at? A. No, I could not swear positively, but I think he looked at Lindsay's.

Q. Asked anything about it? The Finance Minister had spoken about it? A. The Finance Minister had spoken about it beforehand, and I suppose that is the reason he looked at it.

Q. Anything said about it? A. He said it was a large subscription; he says, "That is a very large one, that is the only large one you have; it looks a fine list to me", as he looked at the list and held it up this way and then I explained to him about Lindsay's subscription.

Q. What explanation did you make? A. That certain subscriptions I had on the list there should really have been taken off and no provision in the Bank Act to take them off and I put on Lindsay's subscription to make a larger amount, to swell up the amount, and that Lindsay would be able to replace that afterwards.

Q. You say you stated that both to the Finance Minister and to Mr. Boville? A. No, I did not tell Mr. Boville that.

Q. I asked you as to the conversation with Mr. Boville? A. You go around in different kind of ways and I cannot understand you; I give you Mr. Fielding's interview. Mr. Boville's was very different altogether. I saw Mr. Boville as I passed through in the first place; I had no discussion whatever with Mr. Boville regarding any subscription on that list or anything about the subscriptions, but I had the second day when I went in; he looked at them but did not pay very much attention to them, that is my recollection of it.

Q. In order to make it quite clear you went in to Mr. Boville's office with the subscriptions? A. The second day.

Q. The day you got the certificate? A. The day I got it, yes.

Q. Did you discuss any subscriptions with him? A. No.

Q. Did he hold up the list and say it looked like a very nice list? A. No, I say that was Mr. Fielding.

Q. You do not say Mr. Boville discussed the various subscriptions or in fact any one of them? A. Not a single one.

Q. Did he look over the subscriptions? A. No.

Q. You made no comment on them yourself? A. No.

Q. Did you take them into his office? A. We deposited the list and the papers in the first place, and the second day I went there I laid the subscriptions down, I thought they would look at them while I was away.

Q. Did you tell him what they were? A. Yes.

Q. Did he see where you left them? A. He could not help it.

Q. Did you ask him to look over them? A. I did not.

Q. What remark did he make when you said "These are the subscriptions?" A. I do not think he paid very much attention to it, he just left them lying there.

Q. That would be in the morning between eleven and twelve? A. That would be the first time I went there that day, the day I got my certificate, November 30th.

Q. Mr. Boville apparently did not raise any of the questions that the Finance Minister raised? A. Mr. Boville did not go into the matter at all.

Q. On your second interview with the Finance Minister that day, you say it was brief? A. Yes.

Q. You had sent over your letter, which is here, that the provisional directors did not raise any money in the way mentioned by him, that is by notes—you had sent over that letter? A. Yes.

Q. Denying what the Finance Minister had said was done, had been done, in your case? A. Not exactly denying it, rather putting it in a different way I thought.

Q. He said, "We have been told in some cases the subscribers did not actually pay in cash but gave notes to the provisional directors, which were used to raise the money"? A. Yes.

Q. That fitted your case exactly? A. I took it that the provisional board did not use those notes.

Q. "The subscribers did not actually pay in cash but gave notes to the provisional directors which were used to raise money", and your answer was, "the provisional directors did not raise the money in the way mentioned by you"? A. Yes.

Q. Was that intended to be disingenuous? A. I thought that would answer the letter and not require any further information.

Q. You followed the letter up by going over? A. Yes, I followed the letter up and had perhaps ten or fifteen or twenty minutes interview with him and got the certificate.

Q. Was that about between four and five? A. Yes.

Q. You got that from him or from Mr. Boville? A. No, I did not get it from him; I got it from either Mr. Boville or a clerk there; I do not know which. He said he had given orders.

Q. How long did he keep you waiting? A. I had it handed to me as I passed out.

Q. What became of the subscriptions? A. I took them with me, I am not sure whether I took them then or took them the first time, I took them with me.

Q. I thought the first time you left them with Mr. Boville? A. Yes.

Q. You thought he would look at them when you were gone? A. Yes, but I could not say whether I took them away or not and I could not swear positively on that, whether he looked over them casually and I took them away or I left them and got them the second time.

Q. This letter (Exhibit 55) does not say anything about subscriptions being sent, it speaks of three blank cheques? A. I got the blank cheques by letter, but the subscriptions came I think in a separate parcel by parcel post.

Q. What were those three blank cheques for? A. In case I needed any money.

Q. Did you need it? A. As it turned out I did not.

Q. Did you use any of those cheques? A. I do not think so, the cheques will speak for themselves.

Q. Did you pay any money when you were down there to anybody? A. The only money I paid was to Mr. Guthrie, $110.

Q. What became of the two other cheques? A. I do not know, the cheques will speak for themselves.

Q. Were they used? A. I could not say.

Q. Did you use any of them down there? A. I do not remember doing so.

Q. Did you use any of them some time afterwards? A. I could not say; the cheques I think were used but they will speak for themselves I do not remember them.

Q. They would if we had them? A. I have seen them since I have been giving evidence.

MR. COMMISSIONER: We had certain stubs? A. I am quite satisfied I have seen the cheques themselves during these trials.

Q. Payable to whom? A. I think one was marked with a C on it. $3,000.

Q. What was that? A. I will take the responsibility of that.

Q. Who was it paid to? A. I could not say what it was paid for.

Q. When was it used? A. I could not say when it was used, the cheque will speak for itself.

Q. What did the "C" on it indicate? A. I have forgotten now what it is, some memoranda; perhaps Mr. Fitzgibbon can tell, I do not know.

Q. That is one you have seen since? A. Yes, I think that is one of those cheques.

Q. Those cheques are all there—there is the Guthrie & Pringle cheque? A. The next one is cancelled, that will be no doubt one I had marked cancelled; then I am wrong about the one marked "C".

Q. What did you mean by your reference to the $3,000? A. I thought it was one of these but I see it is not.

Q. Did you find it later on? A. It may be but I have not found it so far.

Q. Do you remember to whom it was payable? A. I remember the cheque.

Q. Do you find it in that bundle, Exhibit 35? A. No.

Q. You think you have seen that cheque? A. I have seen the cheque several times during these trials.

Q. Not here? A. No, I have not at this investigation.

Q. Can you tell anything more about it; you said you would take the responsibility about it? A. That is all I can say, that is all I can remember.

Q. Is that because you do not want to disclose what was done with it? A. Yes, I do not.

MR. COMMISSIONER: Don't you think, witness, it would be better to disclose? A. I have got to take a certain amount of responsibility, Mr. Commissioner, and I cannot undertake, I do not think, to tell those matters.

Q. The oath you have taken is to answer all questions touching this inquiry? A. You know that I would like to do anything that you would ask me to do or require me to do, but I hardly think it is fair to me to be forced to say where certain money might have been paid to for assistance from friends, and I would rather not do so.

Q. Don't you think, looking at it from the standpoint of your own interest, that a full disclosure of everything is more likely to further it? A. I cannot see, Mr. Commissioner, what good it would do. I would rather stay where I am for the term and twice as much more than to injure anybody.

MR. COMMISSIONER: If that is your final answer I suppose that is all we can do.

MR. HODGINS: Was it paid out at that time? A. I would rather not, Mr. Hodgins; I would rather not go into it at all.

Q. Was it paid before the bank went into operation? A. I would have to see the date of the cheque; I have forgotten just at the moment.

MR. COMMISSIONER: You might consider it witness, in this aspect; you may by concealing it or not disclosing it, rather reflect upon somebody who ought not to be reflected upon? A. Ask me the question as to who is in your mind.

Q. I am not suggesting anybody? A. I will answer that.

Q. A good deal of suspicion is thrown or endeavored to be thrown upon the action of the Department granting this certificate? A. Well, it did not go to Mr. Fielding, I will answer that; he never got a cent from me or any promise or anything of the kind.

Q. That may make it worse, that statement may make it worse for somebody else unless you go further? A. That is the reason the last time that I was here, not having seen any newspapers, being shut out from the world, that I desired to

see my solicitor to talk matters over with him; I do not wish to put myself in a bad light; I want to do what is right.

MR. COMMISSIONER: I suppose the witness will be here at the next meeting?

MR. HODGINS: Yes.

MR. COMMISSIONER: You might think it over in the meantime. Of course it is open to you to consult your solicitor again about it if you desire to do so? A. I want to give you the fullest information that I possibly can give.

MR. COMMISSIONER: Don't you see that what you have said now may make suspicious people think that somebody in the Finance Department got this money? A. There was nobody in the Finance Department got this money.

MR. COMMISSIONER: That is satisfactory? A. Not a single one, never was thought of.

MR. HODGINS: It is not satisfactory to have negative information, because you might say that of everybody without disclosing anybody. However, I think what the Commissioner has said is quite right; I think you ought to think it over? A. I will, and have been thinking it over; I will think it over again.

Q. At all events you came away with your certificate? A. I did.

Q. And the bank began business on the 2nd January, 1907? A. Yes, opened our doors then; we really did a little business before that.

Q. I think I asked you this yesterday, were you asked by anybody to return the certificate, or did any one see you with regard to the fact that you got it and should not use it? A. The certificate was never questioned.

Q. Did Mr. Stratton see you between the two dates? A. He did not.

Q. Did you see him? A. No.

Q. Were you down in Ottawa between the 30th November and the day the bank opened for business? A. I was not.

Q. On the night of the 30th did you see any one after you had got your certificate before you left? A. I saw a lot of people there.

Q. Did you see any one in connection with the certificate? A. No.

Q. Did any one come down to the hotel to see you and miss you? A. Not to my recollection.

Q. You got no message from anybody before you got off with the certificate? A. No, sir.

Q. You came back here and you remember a visit of Mr. Knight? A. I remember Mr. Knight calling some time in December.

Q. The date he got here was the day after the final payment to the Trusts & Guarantee Company of December 17th, was it not? A. Yes, I believe it was.

Q. The loan had been paid at that time to the Trusts & Guarantee Company through Mitchell? A. I considered it was paid, yes.

Q. Mr. Knight came up and you and he had some conversation? A. Yes, Mr. Knight came to the office and said he was sent by the Finance Minister, and had I known at the time it was false I would have thrown him out of the office.

Q. He seemed to think you very nearly did it? A. I am sorry I did not now.

Q. What did he see? A. He saw the subscription lists, this book, (EXHIBIT 19), and we laid all the subscriptions in front of him, and told him to go into them to his heart's content.

Q. Who are we? A. Mr. Fitzgibbon was with me at the time.

Q. Any one else? A. No.

Q. What did he say he wanted to see? A. He wanted to know where the money had gone to that we had returned to us from the Finance Department; he wanted to know where it had gone.

Q. You knew where it had gone? A. I certainly knew where it had gone.

Q. Did you tell him? A. I did not.

Q. Did he ask to see the books to see where it had gone? A. I gave him a certificate of deposit from the Union Bank and one from the Trusts & Guarantee Company, which made up the amount very closely.

Q. Supposing that that money which you got back from the Government had been paid to various people how would that affect your right to circulate? A. We could not have got any money out in that short time.

Q. If it had been paid back between the 30th November and the 2nd January how would it have affected your circulation? A. We could circulate money up to the paid up capital, and we considered the notes were payments.

Q. If the paid-up capital in fact had been depleted would that affect your right to circulate? A. To that extent, to the extent of the depletion.

Q. You considered the money you got back from the Department as paid up capital, did you not? A. Yes, certainly it was.

Q. Treated it for the purpose of getting the certificate as paid up capital? A. Certainly.

Q. As a matter of fact the Trusts & Guarantee Company had been paid off out of it? A. Yes.

Q. And you had got a cheque for $10,000 which has been described? A. Yes.

Q. And other cheques had been paid which probably will be mentioned later, and in fact if those were paid out of the paid up capital it was depleted? A. It was depleted, yes, certainly.

Q. Did he make inquiries in order to ascertain what had become of the money that the Department had returned to you? A. No, he did not; his idea I thought was to find out whether we borrowed this money or not to put up, that is what I gathered from his conversation.

Q. A very good answer to that of course would be to show him? A. To show him the certificate of deposit.

Q. Still better answer to show what you had paid out of it up to date? A. Yes, but I was not anxious to do that.

Q. Instead of that you showed him this certificate—these are the two, from the Traders Bank and the Trusts Company? A. I think it was the Union at that time.

Q. I think not? A. Well, I am getting mixed on that; I thought I transferred my account the next day I came from Ottawa, but I find I did not; then it is the Traders and the Guarantee Company.

Q. Are those what he saw? A. He got copies of those.

Q. The Traders Bank speaks of the evening of December 17th as having $153,576 on deposit and the Trusts & Guarantee Company is dated on the 18th December certifying that they had got to your credit the sum of $80,605.81 with interest at 3½% on the following sums from the dates opposite such sums, and then it sets out the three cheques? A. Yes.

EXHIBIT 56: Certificate of Traders Bank showing that the Farmers Bank had at their credit December 17th $153,576.81; and certificate of the Trusts & Guarantee Company that the Farmers Bank had to their credit with the Trusts Company $80,605.81 on the 18th December, 1906.

Q. These were got during an interval—he came and went out again? A. Yes, he came in in the morning and went away, in the meantime I went down to the Trusts & Guarantee Company and told Mr. Warren that it would be necessary to have that money back to our credit again.

Q. And explained why? A. I did not tell him that Knight was there; I told him I had good reasons for it.

Q. Did he ask you why? A. No, he did not ask me why at all. He knew I would not ask that unless it was very important.

Q. Did he ask it? A. No, and I did not tell him, he did not ask me anything about Knight.

Q. Did he ask you what? A. He may have asked me what was the matter, and I did not tell him that it was Knight that was there, but I told him it was very important, I do not remember word for word what passed between us.

Q. You did not tell him because of why it was important? A. No.

Q. Did you tell him this money had been paid back to him out of the deposit and it was very important not to show it? A. No, I did not say anything about that; I said it was important to show it on hand.

Q. He was alive to the fact that it would not do to have the loan repaid out of the money that the Government had returned? A. I do not know whether he was or not.

Q. Did Knight do anything more than go through the stock subscription book? A. He worked at that for two hours and thought it was too big a job.

MR. COMMISSIONER: It is not quite clear as to what was done about the $80,000? A. The three payments that I had given cheques for were reversed and put back again to my credit.

Q. The loan was set on foot again? A. Yes, that is exactly it.

MR. HODGINS: I have a statement here which I will show you from the Trusts & Guarantee Company's books, showing the three payments which you had made struck out of your books and the amount then put to your credit; it was put to your credit apparently? A. Yes.

MR. COMMISSIONER: What became of the notes; had the notes been returned to him or were they still——

MR. HODGINS: After the payment on December 17th, the final payment of that $80,000 loan, did you get the notes back? A. No, we did not; the last payment was that very day, and the cheque had been sent down and we had not received the notes when I went down right after it to check it off.

Q. So that you left everything standing as it was except that you reversed all the entries? A. Yes.

Q. And then that was carried in the books of the bank until some time early in 1907 as if the Trusts & Guarantee Company owed you that money? A. Yes.

Q. As if you had made a deposit? A. Yes, representing a deposit with them; of course they did not owe us the money.

Q. As a matter of fact you had not made any such deposit? A. No, we had not made any such deposit.

Q. What did you do in the books of the bank itself in connection with the same matter? A. Mr. Fitzgibbon had charge of the bookkeeping.

Q. What instructions did you give Mr. Fitzgibbon? A. I instructed him to charge the Trusts Company with $80,605, and show it as a deposit to them in the government statement.

Q. Was it or was it not shown in the government statement of December 31st? A. Yes, I wrote a letter to Mr. Fielding asking Mr. Fielding what to do about it.

Q. About what? A. About that eighty thousand dollars.

Q. Do you mean to say you wrote to him and explained how it was done? A. No, I asked him how I would show the eighty thousand dollars that was on deposit with the Trusts Company; I certainly did not tell him the transaction. The answer came back to show it under 29 of the statement.

Q. I have not the letter? A. I have not seen the letter, but it was there on file when I left the bank.

Q. I did not see any such letter in the department file? A. I left it in the bank when I went away.

Q. When was the letter written? A. Just for the January statement, I think.

Q. It was written after Mr. Knight's visit and before the 2nd January, 1907? A. Yes, about then.

Q. You must have stated in the letter that you had this on deposit? A. Yes.

Q. And asked the Department's view as to where you should show it? A. Yes.

MR. COMMISSIONER: That is not quite clear; after the entries had been reversed showing the repayment of the loan what took place with them in the Trusts Company's books, did they credit the bank with an equal amount as a deposit with them? A. They did.

Q. Did you get the deposit receipt for it? A. No.

Q. Did they credit it to the bank? A. They credited it in their books.

MR. HODGINS: Are you quite sure of that? A. Yes, I am quite sure of it, because I have seen in the court at these trials where they have proven that they did; that is why I am so positive about it.

Q. Here is a copy from their books showing the way it was done——

MR. COMMISSIONER: This does not necessarily show that there was no entry in their books.

MR. HODGINS: They just struck them out.

MR. COMMISSIONER: There would have been a credit of that to the Farmers Bank or somebody to make their books balance? A. Yes, certainly.

MR. HODGINS: We will have to get that.

MR. COMMISSIONER: There must have been a cross entry to meet that.

MR. HODGINS: I won't put that in now.

Q. Did you tell Mr. Warren that you paid him back too soon? A. I might have, I do not remember.

Q. I think that is what you said on another occasion? A. Very likely I did; I would not tie myself down so closely as that.

Q. You afterwards purported to pay that back, didn't you, you made entries in the books of the bank to show payment? A. We issued cheques to show payment of it, yes.

Q. As a matter of fact the Trusts & Guarantee Company got the money and that wiped out the loan, and you had to do something with the books of the bank in order to make it look as though you were paying back that? A. It was not for that that I did it, it was because of the opposition of the other banks, and they were watching me very closely; I just put it around in another way so that it would not show very closely.

Q. At all events you put it through in such a way that it would look as if the transaction was being closed up later, did you not? A. Yes, I think you can put it that way.

Q. I do not know how far the details of that are important? A. The cheques all tell the story; you have them there.

Q. Will you look and see if those are the ones? A. Yes.

EXHIBIT 57: Seven cheques of the Trusts & Guarantee Company.

Q. The Trusts & Guarantee Company received those cheques, or did you receive them from them? A. I received those cheques from them in payment of that $80,605.81; I think that is what they will all figure up to.

Q. Who did you deal with? A. Mr. Warren.

MR. COMMISSIONER: That is not very clear; what does that mean?

MR. HODGINS: The only way to explain that will be through Mr. Clarkson.

MR. COMMISSIONER: He ought to explain in some way; as it stands now.

A. In the other side of that I put the same cheques through my books, the same amounts to their credit. It was simply changed——

MR. HODGINS: In your savings bank or in the current account? A. In their current account with us.

Q. You gave them credit for $80,605? A. Yes.

Q. And they credited you with a corresponding amount, did you say? A. They charged us with those cheques checking out the deposit, and we built it up the other side in our books, that is my recollection. Of course they take a different view of this transaction than I do. I say that was just a means by which we twisted the thing back into its original form again.

MR. COMMISSIONER: The cancelling of those payments was in December, Mr. Hodgins?

MR. HODGINS: Yes.

A. The 17th December.

MR. HODGINS: Q. I am instructed that this is what was done in regard to that loan, that on February 27th, 1907, the charge was made in the account as an amount withdrawn from the Trusts Company of $30,300—one of the entries made, in order to make it look as if you were getting back from the Trusts Company what they were showing as a deposit from you, is that right? A. That is after the entries have been reversed?

Q. Yes? A. Yes, that is right.

MR. COMMISSIONER: Are you speaking of the Farmers Bank books?

MR. HODGINS: Yes, of $30,300. I am told that that really covered promissory notes which the Trusts Company gave you back and which you discounted out at Milton? A. There may have been that many notes returned at that time.

Q. There were exactly; and the entry made is $30,300? A. Yes.

Q. And you got that money by the discount of these notes at the Milton branch, and received them at the head office, making a charge as if they came back from the Trusts Company? A. We got no money out of them.

Q. I ask you if this was the method adopted, withdrawing notes, discounting them at Milton, and putting them to the credit of the head office at the head office as if they had been paid to you by the Trusts Company? A. No, I could not say that; the transaction through the Milton office and the head office would be to get it into capital account.

Q. You recollect it, do you not, because Mr. Clarkson has worked it out, and it comes out to a cent in that way according to the books? A. I do not view it in that way.

Q. March and April there were three other sums all treated in the same way, discount of notes in Milton, money credited in the head office as having come from the Trusts Company amounting to $80,605.81——

MR. COMMISSIONER: Would not that be quite consistent with what the witness was saying, that these notes, coming from the Trusts Company, were discounted in the bank and then carried to the credit of the capital account and treated then as if there had been so much paid on the subscribers' stock? A. That is right.

MR. HODGINS: I am only dealing with what entries they made to make it appear that the loan which did not exist was repaid to them by the Trusts & Guarantee Company. I am indicating that they got their own notes from the Trusts Company, and discounting them made these false entries——? A. The act of discounting them was simply to get them into the right account; but the fact of the case is this, there was no entry made for those notes at all going to the Trusts Company; their returning them so many on each cheque was their own idea, not ours.

Q. The fact was there was no such deposit and the entries made were fictitious entries? A. I would not like to go that far in the face of the evidence Mr. Warren gave. He considers that he reversed that, he actually gave us back the money again. I looked upon it simply as a reversion of the matter and no new transaction at all.

Q. From your point of view there was no such deposit with the company and therefore you had no right to get it from them? A. No, there was no such money ever deposited with the company.

Q. And any entries which looked as if they had paid you back during February, March and April during 1907 were fictitious entries? A. I would not like to go so far as that; they were not exactly entries that represented any new money.

Q. From your point of view the entries were unnecessary? A. The entries were unnecessary.

Q. Were they put in in order to suit Mr. Warren's view? A. No, they were put in to suit myself.

Q. That it was unnecessary? A. No, I wanted to conceal the payments from the Clearing House.

Q. What is that? A. I wanted to conceal the payments back to the Trusts Company.

Q. I understand the Trusts Company never did pay you those moneys as represented by those four entries in February and April, 1907? A. They gave us cheques on the Bank of Montreal for $80.605, which would go to show that we had that money there, but on the other side I gave them credit.

Q. You gave them cheques, didn't you? A. Yes, cheques or credit, I have forgotten which, one or the other.

Q. The Trusts Company and you did join together in making those entries? A. Yes, undoubtedly we did.

MR. COMMISSIONER: Cannot you get from the witness at this point how was the money that was borrowed from the Trusts & Guarantee Company treated in the books of the bank? I do not think there is any evidence as to that.

MR. HODGINS: The money you got from the Trusts & Guarantee Company amounting to $100,000, how was that treated in the books of the bank, to what account was it credited? A. Paid up capital.

Q. We will find that in the capital account of the bank.

MR. COMMISSIONER: Was it credited to the subscribers to whom you had alloted it in this division that you made? A. I could not explain that exactly.

Q. Or any lump sum? A. I think it was in a lump sum; I could not say positively.

MR. HODGINS: Do not let there be a misunderstanding about that; you do not suggest the amounts you spread were afterwards credited to the subscribers as payment up of their notes or stock? A. No, but as each note was discounted at Milton the matter dissolved. What sediment there may have been I do not know how it was treated.

Q. Up to the time you began business, December 1st, 1907, there was no such credit to the shareholders? No, there was not.

Q. As would indicate payments of their notes or their stock? A. No.

Q. Was the lump sum credited in capital account in any way? A. Only in so far as making up the Government statement.

Q. Was it credited in fact? A. There was no entry for it.

Q. It was only credited in your own mind? A. Just by way of memorandum for making up the Government statement.

Q. Not in the bank books? A. No.

MR. COMMISSIONER: Apparently this transaction was treated as if it had not occurred as far as the bank was concerned? A. Yes, that is the way to look at it.

MR. COMMISSIONER: Before we adjourn I would like to ask you what check is there upon a bank over-issuing its notes? A. The only check is that the Bankers' Association send their man at irregular intervals and compare the circulation with the books.

Q. There is no supervision by the Department of Finance? A. All the notes that are printed at Ottawa for the banks require to be reported to the Bankers' Association, and then as those notes are signed and put into circulation we have to report to the Bankers' Association from the bank and they have the right at any time to enter any bank and check that up.

Q. Their interest being they are guaranteeing——? A. They are guaranteeing the circulation of each of the banks or rather the larger ones guaranteeing the smaller ones.

The Commission adjourned at 4 P.M. until 11 A.M. Tuesday, May 21st, 1912.

Toronto, May 21st, 1912.

The Commission continued its sittings at Osgoode Hall, at 11 A.M.

PRESENT:

HON. SIR WILLIAM MEREDITH, Commissioner.
FRANK E. HODGINS, K.C.
J. THOMPSON, K.C., representing the Dominion Government.

W. R. TRAVERS, Examination Continued:—

MR. HODGINS: These cheques that were put in as EXHIBIT 57—just look at them—are payable by the Trusts & Guarantee Company to the order of the Union Bank of Canada, aggregating $80,605.81; they were issued by the Trusts & Guarantee Company after getting these cheques, were they not, from your bank? A. Yes.

EXHIBIT 58: Cheques last shown witness, from Farmers Bank to Trusts & Guarantee Company.

Q. What is the connection between the two? A. Those on the Bank of Montreal issued by the Trusts Company are repaying the deposit of $80,605.81.

Q. That is the so-called deposit that was created as it were after Mr. Knight's visit? A. The reversal of the original entry.

Q. That is you gave your cheques in favor of the Union Bank of Canada, did you? A. I did.

Q. To the Trusts & Guarantee Company, or was it on them? A. This is drawn on them. (EXHIBIT 58).

Q. And they gave their cheques? A. On the Bank of Montreal.

Q. To whose credit were their cheques deposited? A. Their cheques were deposited to the Farmers Bank.

Q. Do those cheques appear in this Toronto Office Ledger at page 300? A. Yes, they appear.

Q. Out of what were they paid—this account headed Trusts & Guarantee Company, where were the credits got out of which those were paid? A. We made deposits with the Trusts & Guarantee Company from day to day.

Q. As shown on page 300 in this ledger? A. Yes.

Q. Commencing January 7th, 1907? A. Yes.

Q. Deposits of what nature? A. I could not say exactly what they were; sometimes they were our own notes, and sometimes our own notes and cheques combined.

Q. You mean when you say your own notes, circulation? A. Yes, circulation notes of the Farmers Bank.

Q. That account appears to be closed on April 8th? A. Yes.

Q. You appear to have deposited from January 7th, 1907, to April 8th enough to cover these cheques which the Trusts & Guarantee Company gave you? A. Yes.

Q. So that you supplied the funds in other words for the cheques which they gave you, and it came back in the Union Bank to your credit? A. That is the way I understood it.

Q. Are there any other entries connected with that in the head office ledger; this is the Toronto branch? A. No, I do not think so.

Q. These cheques appear to bear Mr. Stratton and Mr. Warren's signatures in some cases (EXHIBIT 57), and Mr. Stratton and Mr. Stockdale's—who did you do the business with? A. My recollection is with Mr. Warren; the deposit should be made in the ordinary course there, and whatever officer was behind the counter.

Q. Was there any arrangement made before this account was opened in January, 1907, as to the use which was to be made of it? A. We made the arrangement we would deposit with each other, they with us and we with them.

Q. How does it come that on April 8th it appears you just came out exactly even? A. My recollection is we were making those deposits for the purpose of paying off the loan.

Q. Paying off what I have said is the so-called loan? A. $80,605.

Q. Who did you make the arrangement with? A. With Mr. Warren.

Q. You identify this as being in Mr. Fitzgibbon's handwriting; I think you said it was for the purpose of making up the special return to the Government, made in May? A. That is my recollection of it.

EXHIBIT 59: List of certain shareholders and subscriptions.

Q. You remember being called on for a special return? A. I do.

Q. Special return called for by the Honorable Minister of Finance in a letter of May 2nd. 1907,—it is printed here; I suppose you could probably give us your recollection of it? A. Yes, I should say that was a copy of it.

Q. Do you know where that original return is? A. That is with the Finance Department.

Q. It purports to be the portion of the $375,473 paid up capital of the bank as per return of 30th March, 1907, represented by promissory notes of the shareholders held by the bank amounts to $59,110; the following is a list of the notes—you are accounting then for the notes held by the bank on account of the paid up capital of the bank? A. Yes.

Q. Amounting to $59,000; this is supposed to be a list of those notes; it appears to be signed by Dr. Beattie Nesbitt, as President, and yourself as General Manager, and Mr. Fitzgibbon as chief accountant? A. Yes.

Q. That letter that you refer to is printed here somewhere; what was the occasion of it: was it not some letter from your Milton branch? A. I learned afterwards that one of the managers who was annoyed at something had written down and complained about the notes being under discount.

Q. This letter is printed in this return at page 29, from Van Koughnet; would you just read the letter and see if the statement that Mr. Vankoughnet makes is correct: he says, "Our General Manager sends to the different branches lists of notes given in payment of our capital stock; these notes he makes the managers put through as discounts, crediting the amounts to head office; this is figured in the government return as paid up capital and circulation issued to that amount"? A. Well, there were notes sent out to the branches for discount, and the proceeds were credited to capital account in head office, but we would have to have the means of circulating the notes before we could put out notes. I considered that was paid up capital, and we could issue up to that extent.

Q. The statement is true any way that the notes sent out to Vankoughnet, for instance, were notes given in payment of capital stock? A. Yes.

Q. And that they were put through as discounts, the amount being credited to the head office? A. Yes.

Q. And that that was figured in the government return as paid up capital? A. Yes.

Q. And circulation issued to that extent? A. Well, we cannot say the circulation was issued to that extent; we would have the privilege of issuing to that extent.

Q. And did you take advantage of that privilege? A. As far as our business permitted it, yes.

Q. The letter of May 2nd, which is referred to in the return, is printed here, page 30, asking you what portion of the $375,473 paid up capital as per return of 30th March, 1907, is represented by promissory notes; is that return sent to the government correct? A. No, I do not think it was fully correct.

Q. Mr. Vankoughnet in a later letter printed in this return, page 30, says that the amount under discount at his office, that is the Milton office, was $111,-885? A. Yes.

Q. Would that be right? A. I should think so.

Q. And the return I see only gives the amount of notes held by the bank representing capital stock as $59,110? A. Yes.

Q. A difference of about? A. $52,000; that $52,000 I think the chief accountant carried in as contingent account; the books will show that.

Q. At all events the return was out to that amount? A. Yes, notes under discount as compared with that return there would be a difference of that amount.

Q. I am speaking of the portion of the capital stock referred to by the Minister of Finance that is said in the return to be $59,110 in notes, but it should have been at least $111,000? A. I cannot say from memory whether it should have been $111,000; I would have to take the books and compare that.

Q. We will do that; it would depend on the books? A. Yes.

Q. Why was the amount of $59,110 selected as being the total? A. My recollection is that we showed those to correspond with the credits in the original list of November, 1906.

MR. COMMISSIONER: What does that mean? A. So the two statements jibe.

Q. I understood that; but were those notes on account of shares taken subscribed subsequent to—— A. Not subsequent to the original statement.

MR. HODGINS: These were original subscriptions? A. Yes.

MR. COMMISSIONER: Included in the subscriptions that are in that schedule sent to the Department? A. Yes.

MR. HODGINS: The amount in this Special Return in May, the amount of the notes as given would correspond with the amount shown as paid in that Government Return? A. I think so; I am not quite sure whether it tallies to it exactly that way, but I think that was the intention.

Q. You had been asked apparently by the Finance Minister for a return on March 30th; I do not think that is printed here at all; did you send in a return on the 30th March? A. I have no recollection of sending in any others but the usual monthly return. I saw Sir Richard Cartwright regarding the notes and he told me if we could not issue circulation against good farmers' notes he did not know what we could do it against.

Q. Just look again at this special return; it begins with "Special Return"; it says, "Portion of the $375.473 paid up capital of the bank as per return of March 30th, 1907"—that I suppose was the monthly return? A. Yes.

Q. That showed that amount as paid up capital, and you are accounting for the paid up capital that was represented by notes? A. Yes.

Q. Was there any further correspondence after you sent down that special return, or did that end the matter? A. That ended the matter as far as I remember.

Q. Was it after that that you had that conversation with Sir Richard Cartwright? A. About that time.

MR. COMMISSIONER: Had you not better make that a little clearer about notes; do I understand the witness to say the other notes had not been used, the other fifty-two thousand? A. No, sir, they were all discounted and credited to capital account, but part of the proceeds was carried to a contingent account.

Q. And not included as payments on the capital in the return? A. I am not sure about that, but I do not think they were; the books will have to show that.

MR. HODGINS: Is that what you really mean; on the 30th March, 1907, the paid up capital was shown as appears there at $375,000 odd? A. Yes.

Q. Then was not that represented by something in the neighborhood of $111,000 of notes? A. No, I do not think there was——

Q. How much would you say it was represented by? A. To my recollection it was more than the fifty-nine thousand that was in that special statement, but how much more I cannot tell off-hand without looking at the books.

Q. What book would you look at to tell that? A. The head office book; I do not know whether I could find it then; I think the chief accountant could explain that better than I could.

MR. HODGINS: (To Mr. Fitzgibbon): Can you suggest what book that would be in?

MR. FITZGIBBON: It would be in the Head Office Ledger.

MR. COMMISSIONER: If you are right that $59,000 was less than the amount, what was the object of putting it in at less than the amount? A. To correspond with the original statement we sent down.

Q. I do not understand how that is; why did not the original statement show it? A. They were not discounted at that time at the Milton Branch.

MR. HODGINS: Not discounted by yourselves with yourselves? A. Yes.

MR. COMMISSIONER: They were in the hands of the Bank or the Trusts Company? A. Yes.

Q. As security for that loan, as you say, made personally, not on account of the Bank? A. Yes.

MR. HODGINS: It would look to me as if when you sent down that original return in November you did not say anything about promissory notes at all? A. I did not.

Q. In this return you give the details of $59,000 odd of notes, give the due date and so on? A. Yes.

Q. Then in what respect would that return correspond with the original return? A. Wherever we showed the proceeds received on account of the notes hypothecated with the Trusts Company on that return we showed a note in the special return.

Q. That is, if you credited to a man $1,000 as paid in cash you would show $1,000 note? A. Yes, on that list.

Q. Are the notes correct as notes or are they misleading? A. No, there is nothing misleading; they are all genuine farmers' notes.

Q. I know, but is the amount of each note correct? A. Yes, as far as I can remember I think it is.

Q. You only showed those notes that would correspond with the November return? A. Yes, that is my recollection.

Q. And amount? A. Yes.

Q. You had others which you think went to a contingent account? A. Yes.

Q. By whose instructions? A. It would be mine I suppose; nobody else could give instructions.

Q. If only $59,110 was represented by notes how was the balance of the $375,000 of capital stock made up, what was it represented by? A. Nearly $200,000 paid in in cash.

Q. You got only about $150,000 from the provisional directors? A. Yes; there was $40,000 paid out for expenses; that would be $190,000.

Q. But that was all gone? A. It had not gone, that had not gone; we brought back from Ottawa $245,000, of which $100,000 was borrowed; that was $145,000, and $5,000 left with Ottawa, would make $150,000; but there was $40,000 paid out before that.

Q. Were you carrying the paid-out expenses of the provisional directors as part of your capital account? A. We were.

Q. How much, I ask you again, of the $375,000 was represented by anything else than notes? A. There was no part represented by anything else but notes and the cash.

Q. $150,000 cash? A. Is not that $200,000 cash? If you receive the cash on capital account you could not credit anything but capital account with it.

Q. Take it that way, $200,000 that would leave $175,000 more of capital account? A. Yes.

Q. And you only show $59,110 of notes? A. Yes.

Q. That would leave about $115,000? A. Then $100,000 was left by the Trusts Company, and it would show it was paid-up capital.

Q. At that time at all events the $80,000 had been paid; had the $20,000 been paid back to the Trusts Company? A. No, the $80,000 was not paid back; it was left in the same position as it started.

Q. The $80,000, we have gone over that; it had been paid back by December 17th? A. Yes.

Q. When was the $20,000 paid back? A. In about March I think, 1907, three or four months later.

Q. At the time you made that return that $100,000 would have been paid back? A. Well, of course I could not answer that with the credit that the Trusts Company showed to the credit of the Bank still remaining there.

Q. That would account for $80,000? A. The $20,000 would be still carried in capital account.

Q. I do not hear anything about $20,000 being returned? A. It was $100,000; $80,000 and $20,000 made the $100,000 that was borrowed.

Q. The entries you reversed amounted to $80,000 only? A. Yes; well, the $20,000 was left standing in its original position.

Q. But you tell me that was paid in March? A. That was paid about March.

Q. Then on May 2nd when you made the return both these sums had been paid back, although you had this so-called credit in the Trusts Company for the $80,000? A. Yes.

Q. What would the balance, which would be $35,000, be represented by? A. Represented by notes.

Q. By those notes in contingent account? A. I presume so. I could not say without I looked at the books.

Q. Then apparently the Department took no further action, as you said, or said nothing further; they were satisfied with your explanation? A. Yes.

Q. When did you have that conversation with regard to the notes with Sir Richard Cartwright? A. About the time we made the special return. I was on the train going east and I saw Sir Richard sitting in the dining car, and I sent him over my card, and he called me over, and I spoke to him about these notes and explained the matter to him, and he said he thought they were quite good enough to issue circulation against.

Q. You only discussed that feature of it with him? A. That was all.

Q. Had you sent in the special return? A. I think I had; I think it was just about the time I sent it in. He was Acting Finance Minister at the time.

Q. I would like to know the time? A. I could not fix the date, but my memory is it was about the time I sent it in.

Q. Did you discuss that with him, the fact that you had sent it in? A. I could not say that.

Q. You had been asked for it directly, and prepared it with care and sent it in, if you saw him immediately afterwards——? A. I cannot say whether I saw him immediately after it was sent in or during the time it was being prepared; it was about that time.

Q. That is something new; you do not suggest you consulted him as to what you could or could not do in sending in your return? A. No, I did not, certainly not.

Q. Do you suggest that or do you not, that you informed him of your view on the subject and that he assented to it? A. I do not understand your question.

Q. That you could issue circulation against shareholders' notes? A. My idea in speaking to Sir Richard was to make myself satisfied that it was all right to issue the circulation against the notes, if necessary.

Q. You had been issuing circulation? A. We had a right to issue circulation up to the amount that was paid in; no matter what the money was paid in for; we had a right to issue it to the amount of the paid-up capital.

Q. You had been doing it, and you were feeling a little in doubt about it? A. I felt a little in doubt about issuing circulation against those notes that were discounted up to that time.

Q. And were you reassured? A. I gave you exactly what he said. He said if we could not issue notes against good farmers' notes, he said, "What can you issue them against"? That is the answer he gave me.

Q. What does the Bank Act say? Does not it say to issue it in certain relation to your paid-up capital? A. It says you can issue notes to the extent of your paid-up capital. There is nothing in the Bank Act to say if you pay out any of your paid-up capital that the notes that you have issued against it have got to be recalled.

Q. But you are now speaking of a different view; you are supposed to have these notes, and you are issuing them against those notes, that is what you were discussing with Sir Richard Cartwright? A. I was discussing with Sir Richard Cartwright the issuing of the Bank circulation against the notes which we took from shareholders, which we discounted and showed to capital account.

Q. Did you explain that feature of it to him, that you discounted them? A. So far as I have spoken now, yes.

Q. Did you tell him they were discounted that your Bank discounted them? A. I cannot say I did.

Q. Did you tell him you had put part of them to contingent account? A. No, I cannot say I did that.

Q. How did you represent to him you had done in order to elicit his opinion? A. I referred to the special return which spoke for itself; I asked him whether it was irregular to issue circulation against that amount of farmers' notes and I told you the answer he gave me.

Q. Was the emphasis on the farmer or on the notes; does that explain what you said in your evidence on the last occasion that you had written to the Department about these notes? A. I do not think I said that I wrote the Department. What you are referring to is I wrote the Department about showing the $80,000 deposited with the Trusts Company.

Q. Was that letter which you spoke of, which I have not seen anywhere, before or after the interview with Sir Richard Cartwright? A. It would be before; I think it was about the time we made up our first Government return after the 31st December, 1906. Mr. Fitzgibbon and I discussed the proper heading under which that should be shown.

Q. And you were told to put it under—A. Item 29, "Other assets".

Q. Was that letter with the correspondence when the Bank failed? A. I left it there to the best of my recollection.

Q. You always had the idea that the repayment of the amount you borrowed to make up capital would be made to those who lent it to you, had you not, immediately it was got back from the Government? A. That was in my mind, yes.

Q. I notice in looking over your correspondence, your correspondence with New York bankers and others with regard to this—— A. Very likely——

Q. ——That in September, 1906, you say to the Cashier of the Merchants National Bank—— A. It could not be September, 1906.

Q. September 4th, 1906, that would be an appropriate date; you did not borrow here till October, 1906? A. We did not open the Bank till January 2nd, 1907.

Q. I know; but you had been trying to raise the loan in New York which you afterwards got from the Trusts & Guarantee Company? A. I might have, I do not recollect that.

Q. What you say in the letter—perhaps you will say whether this gives an indication of what your mind was: "If you can see your way clear to advance $100,000 for thirty days I can transfer $150,000 to our credit with you in New York, and then you deposit with the Canadian Government $250,000, and as soon as the meeting is held and the directors elected, thirty days thereafter the Government will have to return this money to you in accordance with the Bank Act"? A. I remember that.

Q. "You can then take out your interest at any rate you think proper and a commission on the transaction"? A. I remember that now.

Q. You did not however get the loan there? A. No.

Q. They failed to make arrangements; who is A. J. Luxton, Banker, in Milton? A. Ex-Manager of the Bank of Hamilton, sub-agent of Mr. Lindsay in canvassing for stock.

Q. Would you look at that letter and the enclosed application, and look at the respective dates, and tell me who dated the subscription? A. I could not say.

Q. Looking at the accompanying letter, the letter is dated November 23rd, 1906, and does it enclose a subscription from Luxton and one from Bradley? A. So it says; it is in the same handwriting.

Q. Luxton's subscription for ten shares; what is the date of that subscription? A. The 22nd October, 1906.

Q. Is that one of those that you described as being ante-dated subscriptions? A. I believe it is.

Q. Who wrote in the 22nd October, 1906, was that you? A. It was not.

Q. You think those are both in the same handwriting, the letter and the subscriptions? A. I would say so.

Q. The subscriptions is for ten shares, number 554, signed by Arthur George H. Luxton, Banker, Milton, dated October 26th, 1906. The letter is headed "The Farmers Bank of Canada, Milton, the 23rd November, 1906, addressed to the General Manager of the Farmers Bank, Toronto. "Yours of the 22nd to hand with enclosures. I enclose my application for ten shares; also A. B. Bradley's. Will explain fully on Monday about A. B. Bradley, who is assisting me in more ways than one". The rest of the letter is unimportant. "Yours faithfully, A. H. Luxton". Did you send them the application form? A. I presume I did.

Q. Which he returned in this letter. I think that is all I want to ask you at present. There is that other matter; have you thought over that matter that was brought up on the former occasion? A. Yes, I have given it serious consideration and consulted my solicitor, and he said that if it had anything to do with the Finance Department or anybody in connection with it that I should tell it, but if it is a personal matter he would not advise me. Now, I stated it had nothing to do with the Finance Minister or anybody in connection with the Finance Department; it was a personal matter of my own and I do not wish to say anything more about it.

Q. There will be an opportunity later on.

MR. COMMISSIONER: What does that mean, a personal matter of your own? A. It was money that I paid out of my own.

Q. Your own money? A. It was money that was due me on commissions, yes.

MR. HODGINS: There is in the account here a special charge to Mr. Lown, who was one of the provisional directors; it seems to have been carried as a separate item quite apart from his share of the money that you paid him, or separate from the expenses; can you throw any light on that; he could not? A. What is the amount of it? Do you remember if it was $300?

Q. $560; it is in the provisional directors' statement of receipts and payments, would you just look at the payment starting with commissions and so on, you will find A. S. Lown, I do not know what that is? A. Does this refer to the provisional board's books?

Q. Yes? A. I think the provisional board ledger will show that was for legal services.

Q. Mr. Lown could not throw any light on it.

MR. COMMISSIONER: Has Mr. Clarkson got that ledger? A. If you have ledger I can probably assist you. (Ledger pages produced).

MR. COMMISSIONER: It was a modest ledger? A. The reason they are in that shape is there were so many examinations and the big book was carried up and down so many times we took out the leaves.

Q. It is loose-leaf? A. Yes. There is the entry in the ledger; you should have to turn up the cash book for an explanation of it.

Q. Would not there be a voucher for it? A. There should be.

MR. F. C. CLARKSON: The cheque is made payable to A. S. Lown, and no memorandum. In the cash book it is just charged A. S. Lown.

MR. COMMISSIONER: Is there no voucher?

MR. F. C. CLARKSON: Just the cheque for it. A. It just says A. S. Lown, $50.

MR. COMMISSIONER: Would the stub of the cheque show? A. The cheque itself might show.

MR. F. C. CLARKSON: The cheque is just made payable to A. S. Lown.

MR. COMMISSIONER: Have you the stubs at all?

MR. F. C. CLARKSON: No.

MR. COMMISSIONER: Does the witness say his impression is that that was for legal expenses? A. Yes, that is my recollection of it; I could not swear positively to that.

W. J. LINDSAY, Recalled:—

MR. HODGINS: There was a cheque produced here as to which you were examined, for $10,000? A. Yes, sir.

Q. Paid out on December 6th, 1906? A. Yes, sir.

Q. I do not know whether you were here when Mr. Travers gave his explanation of it? A. No, he started to give it and I just left.

Q. Will you tell me again what your explanation of the cheque is; in the first place it was payable to Travers, was it not? A. Yes, I think it was.

MR. TRAVERS: You are wrong on that. A. I would not be positive.

MR. HODGINS: This is the cheque, payable to W. J. Lindsay, Exhibit 28. Tell us what you did with that cheque when you got it? A. I think it was on a Saturday, if my memory serves me right, and I got it about noon. I walked down to Front Street; the Traders Bank at that time were in the old McMaster Building, on Front Street, in the rear of the Bank of Montreal; there was a gentleman with me and we walked down. I deposited $5,000 of it to my own credit and the other $5,000 I got in bills, and I put them in my pocket and put my hand in the pocket with the bills in it, and I walked up to the Bank on the corner of Bay and Adelaide Streets and I handed the $5,000 to Mr. Travers. There was a gentleman

with me walked down to the bank, saw the money, and I do not know but he saw me hand it to Mr. Travers in the office; he can speak for himself.

Q. This cheque does not appear to have been deposited in any way? A. No, it was handed in and the half of it was credited and the other half I took the money.

Q. Had you a private account in the Traders Bank? A. Yes.

Q. And you I suppose got the whole of this in cash and you deposited $5,000 in cash? A. Yes.

Q. You do not seem to have needed identification? A. No.

Q. The $5,000 went to your own personal account there? A. Yes.

Q. Had you more than one account in the Traders? A. It was I think W. J. Lindsay in Trust, if I remember.

Q. Why was it put in trust? A. I think that was the way Mr. Travers opened up—I would not be positive.

Q. Had Mr. Travers opened your account in the Traders? A. I do not remember whether it was a running account or not, whether it had been there before.

Q. You just spoke of it being in trust? A. Yes, I think it was in trust.

Q. You rather indicated Mr. Travers had opened it? A. I would not be sure whether it was there before he commenced to deposit there or whether he opened it.

Q. If he opened it and opened it in trust what would it indicate? A. I do not know. I think it was there before but I would not be sure.

Q. And in trust? A. I think it was in trust.

Q. What is it in trust for? A. I don't know.

MR. COMMISSIONER: Do you mean to say you do not know whether it was in trust or not? A. I always carry an account in trust.

Q. Don't you know whether it was in trust or not? A. I am not quite clear on it. Q. Although you were drawing thousands of dollars of cheques on it? A. I don't know whether that was in trust or not; I will look it up.

MR. HODGINS: You drew $5,000 and immediately deposited that to this account in the Traders Bank? A. Yes, sir.

Q. And what became of that? A. Which?

Q. The amount you deposited in your account? A. It was used for various purposes; I presume for other business, and expenses; I presume I used about $2,000 of it in England, that is in connection with the Bank's affairs when I was over there.

Q. Your Bank account I suppose would show, would it? A. Quite.

Q. Who has the cheques on that Bank account? A. I don't know if I got them all or not; I made a request the other day for them, and I have been away for quite a long while, and they said they would try and get them for me.

Q. Have you enquired since? A. Yes, they are going to try and get them located.

Q. When did you make this enquiry? A. About two or three weeks ago.

Q. What did you want them for? A. I thought it was wise to get them.

Q. Will you produce them here anyway? A. If it is possible, yes, if I can get them.

Q. You drew $10,000 and you kept $5,000 of it? A. Yes.

Q. In bills? A. Yes.

Q. What size bills—kept them? A. No, I did not keep them, I took them over—I carried away the $5,000 from the Bank.

Q. In what size bills? A. I would not be sure, I think they were in fifty's.

Q. What was your object in drawing it in cash that Saturday afternoon? A. Mr. Travers wanted it. He said "Bring me back my portion of it; I will wait here for you to come back."

Q. What was his portion of it? A. It was considered half up to the organization.

Q. I understood you were sub-agent to Mr. Travers? A. Yes.

Q. He was sharing half his commissions with you? A. Yes.

Q. And this was for W. J. Lindsay's commissions, this would be all your own commissions? A. No.

Q. Why was it payable to you if it was not your commissions? A. He had to make it up in some way to be out of the Bank I presume.

Q. That does not seem to me to be reasonable; were you to make some payments out of it that were not to be shown in the Bank account? A. No, sir, there was nothing any further than I was taking him back his portion of it.

Q. This was the only cheque that was payable direct to you? A. Yes; well, from that on my commissions were paid by cheque.

Q. Had you earned $10,000 in commissions on December 6th? A. Yes, considerably more.

Q. This would be your own share of it then? A. No.

Q. If you had earned it why did you not insist on it being paid? A. Any moneys that were drawn, it was the custom, I understood from Mr. Travers, that one-half of it was divided up.

Q. He was to divide half with you? A. Yes.

Q. Why was this cheque made out to you for $10,000 and you give back Travers $5,000 of it, instead of as you had always done, had cheques straight to Travers and he gave you half? A. The Bank was in business then, I presume, and he can answer that better than I can.

Q. No, he cannot; I want to know how it was you reversed the method of doing business, and walked down to the Bank and got the money and gave it to him? A. I presume that was at the first stage when Mr. Travers was in shape to issue a cheque.

Q. Had not he issued cheques before? A. Not to my knowledge.

Q. To you? A. Not to my knowledge.

Q. Had not he deposited money to your credit? A. Yes, but that is quite a different thing.

Q. Was the different thing done? A. Yes.

Q. Then he must, if he deposited money to your credit, have been able to draw cheques? A. I don't know anything about that.

Q. You took this back, did you? A. Yes.

Q. This gentleman with you? A. Yes.

Q. Who was he? A. I gave you his name.

Q. I have forgotten it now? A. I asked you if you would have him subpœnaed.

Q. Did you? A. Yes.

Q. When did you give me his name? A. The second to last day you were sitting here.

Q. Is that McCorquodale? A. Yes.

Q. And is that the gentleman who walked down to the Bank with you? A. He did.

Q. Is he subpœnaed, Mr. Thompson?

MR. THOMPSON: I think so.

MR. HODGINS: Is Mr. McCorquodale here? (Mr. McCorquodale was not present.

MR. HODGINS: Q. What did you take him down for? A. I did not take him down.

Q. Did he walk down to the bank with you? A. I told him where I was going, and he said "I will go down with you."

Q. He wanted some of that money, didn't he? A. No.

Q. Did he get any? A. No.

Q. He saw you draw this out and put it into your pocket, and he walked back to the Bank? A. Yes, he did.

Q. Into the room with you? A. And he stood at the desk, and Mr. Travers came out of the inside office, and he had his coat and hat on, was waiting for me, and he came out and went downstairs, the three of us together.

Q. Who came out? A. Mr. Travers.

Q. He was upstairs in the bank when you got there? A. Yes.

Q. What time of day was this? A. Along around one o'clock.

Q. What time did the Bank close that day? A. Around twelve or one; I don't know what time it closed.

Q. Anyway you got in before the Bank closed? A. Yes.

Q. And went straight back to the Farmers Bank Building? A. Yes.

Q. And you saw him about one o'clock? A. Somewhere around there.

Q. You gave him this money? A. I did.

Q. No doubt about that? A. Not the slightest.

Q. What did you give it to him for? A. Because I considered it his portion of the commission. It was talked over before he gave me the cheque. He told me, he said, "Now, I give you the cheque, and you go down and get it and bring me my portion back."

Q. You and he appear to have been pretty close in business? A. Well, I had confidence in him.

Q. I should think he must have had confidence in you; he gave you the cheque and you were to bring back the money? A. Yes.

Q. What occurred after you gave it to him, did you get a receipt? A. No.

Q. Did you charge him with this in this suit of yours? A. I did.

Q. How; would it appear in the statement of your claim against him? A. Quite so, all the way through.

Q. Does it appear in the Statement of Claim? A. The Statement of Claim will show.

Q. I know; but from your knowledge of your own case would it have been mentioned in it? A. Quite so; it was mentioned in fact.

Q. This would really be on the face of it a payment to you for commissions, and you claim to have refunded half of it to Travers? A. I treated the transaction exactly the same as he had been treating various transactions up to that time, to my knowledge.

Q. There is no doubt about this, if you could not prove he got it back you would be chargeable with the $10,000 on that view? A. I did not get it.

Q. I am asking you if that is not the case? A. Well, I presume unless it was proven there that I couldn't—

Q. I want to know why you did not take the precaution of getting a receipt? A. He had never taken a receipt from me for a dollar of money that he deposited to my credit.

Q. I should not think he would want to; did he take a receipt for what he paid you? A. No.

Q. How is it that you two seem to be such bosom friends? A. It is not a matter of bosom friends, it was a matter of confidence; if you have confidence in a man—

Q. You know you and he had been fighting like cat and dog in August, 1906, calling each other all sorts of names? A. From time to time he had got straightened out and I had still confidence in the man's honesty of purpose.

Q. You do not expect to believe in view of the correspondence that was in that you had quite changed your view of him and he of you and gone into this transaction in the way you have spoken of? A. I did not consider that any man in the position that he was in, a man in possession of a letter which he showed me from Mr. Fish, I thought that it was just as good as though I had a receipt.

Q. When did you see that letter? A. Before I went out to sell stock.

Q. It was after that that you and he commenced to have such an acrimonious correspondence: what did Mr. Travers do when he got this money? A. We parted shortly afterwards and I went home, I presume.

Q. What did he do, I ask you? A. The three of us went down and out of the Bank on Bay Street.

Q. Then what? A. We went across the road and we had a drink.

Q. Then what? A. I do not know anything more; as far as I am concerned I left him there.

Q. Did you see any one other than McCorquodale and Travers when you gave that money over? A. No, sir, I did not.

Q. Who proposed Beattie Nesbitt as President of the bank? A. I do not know.

Q. You did not? A. I did not.

Q. I am told he is a great friend of yours? A. Well, I do not know how you could term him as a great friend. I had had the pleasure of meeting him several times, but I was never in the gentleman's home in my life until after the Bank was organized. I went over there one Sunday afternoon with Mr. Travers, I have forgotten what it was for; we were out for a walk, and we dropped in and were in for a few minutes; outside of that I had never been in Beattie Nesbitt's home up to that time.

Q. You do not say you were good friends? A. We were friends to say, Good morning, Good day, Good afternoon.

Q. No more intimate than that? A. I do not know as you can call it more intimate than that.

Q. I do not know what you call it? A. We were friends as friends go, to say "Good day."

Q. Who suggested his name as President? A. I think it was Mr. McCorquodale if I remember right.

Q. To whom? A. To Mr. Travers.

Q. Were you there too? A. I was not.

Q. How do you know? A. Mr. Travers told me.

Q. Mr. Travers told you that McCorquodale had suggested it? A. Yes.

Q. About a week before the meeting? A. I do not know what time it was.

Q. Just think for a moment? A. I cannot think on a thing I am not interested in.

Q. When he told you did you support it? A. I had nothing to say about it.

Q. Do you dispute what Mr. Travers says altogether, that Beattie Nesbitt was a friend of yours, and that the suggestion that he was to be President came from you? A. It certainly did not.

Q. Do you deny absolutely what he says? A. Yes.

Q. Between you and Mr. Travers we do not know how Beattie Nesbitt came, if you are both to be believed? A. I think you will find out that Mr. McCorquodale was the man who did the whole transaction with Beattie Nesbitt.

Q. Is he the man who sold stock—A. He sold—I did not have anything to do with Beattie Nesbitt or Beattie Nesbitt's subscription; Beattie Nesbitt's subscription was taken by McCorquodale. I met Beattie Nesbitt on King Street one day, and I don't know just what time or what stage it was in the game, and he stopped and asked me about the Bank and how it was getting along, and he said he had been approached? Those are facts you cannot get away from.

Q. You and Travers were the two most interested people in getting this Bank started, is not that right? A. I was selling stock.

MR. COMMISSONER: Answer the question. A. I was a sub-agent for Travers.

Q. You were not asked that; answer the question that is put to you? A. I presume I would be the most interested, in fact I felt interested all the way through, as much interested almost as though every dollar of it had been my own; from the fact of having gone out and interested many, I was very much interested.

MR. HODGINS: Q. In round numbers how many dollars did you get by way of commissions after the Bank organized? A. After the Bank organized I think it was something around, I would not be certain whether it was $17,000 or $19,000.

Q. You could not get that unless the Bank became organized? A. I do not know about that; I had done the work, I do not know whether I could or could not get it.

Q. Who did you look to for these commissions? A. I was looking to Mr. Travers and the Bank.

Q. When do you date your acquaintance with Dr. Beattie Nesbitt? A. I have known him from being around the Parliament Buildings, that is all.

Q. How long? A. Probably a year or two or three years; I do not know just how long.

Q. Had you made use of him during the spring and summer of 1906 in interesting people in the Bank? A. 1906?

Q. Yes? A. And 1907?

Q. No, I did not say 1907; had you interested him in getting people; had you employed him or got him to interest men in getting people to take interest in the bank? A. Not to my knowledge.

Q. You absolutely say you did not? A. Yes; some time along about towards the fall I met him on King Street and he told me he had been approached and that is as much as I know.

Q. That would be before the certificate issued? A. Yes, some time before.

Q. About a week before? A. I do not know how long.

Q. What do you say to what Mr. Travers says, that this money was paid to Beattie Nesbitt? A. I have told you everything that I know about it.

Q. Do you know anything about it? A. I know I paid it to Mr. Travers, and when I paid it to Mr. Travers I did not see any paid to Nesbitt in the Bank.

Q. Did you know it was being paid? A. I did not.

Q. What do you say about Mr. Travers' statement that Beattie Nesbitt told him that you had arranged to pay up, to qualify and pay up his shares? A. I never talked to Beattie Nesbitt on that score.

Q. Never did? A. No; why should I?

Q. Then you and Mr. Travers differ completely on this episode? A. I cannot help that.

Q. I say you do differ? A. Yes.

Q. And you differ with him as to how Beattie Nesbitt became President? A. I tell you the facts as I know them.

Q. Who did select the President? A. I do not know. I understood Mr. McCorquodale was the man that interested him and brought the two of them together.

Q. Did Travers say anything to you afterwards about this payment paid Nesbitt? A. I did not know anything about it until after I had instituted suit against Mr. Travers for commissions, and the bank.

Q. Then what? A. The Examination for Discovery will show what he said.

Q. Do you remember were you present? A. No. Some of the examination I was present at and some of it I was not.

Q. What did he tell you on that examination, or tell your lawyer? A. As I understand that I had paid it to Beattie Nesbitt by some arrangement.

Q. He swore you understood that you had paid it to Beattie Nesbitt? A. Yes.

Q. And that he had handed it to Beattie Nesbitt pursuant to your arrangement? A. I do not know, I would not be sure of that.

Q. Which was the idea you got? A. The impression is just as I tell you.

Q. That he swore? A. That I paid it to Beattie Nesbitt.

Q. You gave him $5,000 on a subsequent occasion, didn't you? A. No, sir, not at any time; not one dollar at any time.

Q. How can you account for this hallucination of Mr. Travers about Beattie Nesbitt's stock and this $5,000? A. I do not try to account for it.

Q. You were pretty active, were you not, in March and April, 1906, in getting stock taken up and seeing people about the Bank? A. Yes, sir, I worked day and night; I would go out on Monday morning and come in Saturday night invariably.

Q. Do you remember trying to interest poeple in Ottawa? A. Yes, I went down there.

Q. How long did you spend in Ottawa? A. I don't know, I was probably there two or three days.

Q. Who were the influential friends that were referred to in one of the letters that you had down there? A. Let me see the letter.

Q. You do not recollect that? A. No.

Q. Can you tell me any influential friends you had? A. If you show me—

Q. You remember who you knew in Ottawa? A. Yes, I knew—

Q. Who did you see about coming on the Board or taking stock? A. I telephoned to Mr. Calvert, if that is what you have reference to.

Q. Did you know him? A. Yes.

Q. Is he an old friend of yours? A. I have known Mr. Calvert for twenty or twenty-five years.

Q. You telephoned him? A. Yes; I have know him in business.

Q. Did you do anything more than telephone him? A. When I was down again, subsequent to my telephoning I was in Ottawa and I dropped in to see him and have a chat with him.

Q. What did you ask him to do? A. I told him, in fact I went in in connection with the Prospectus and handed it to him and told him it had been issued and he asked me—

Q. Was this Prospectus with his name on it? A. Yes, I think it was issued with his name—

Q. You went in with the Prospectus and showed it to him? A. Yes, I have the Prospectus; I asked him if he could give me any assistance in a general way.

Q. To do what? A. To get subscribers.

Q. That was when? A. I do not know.

Q. Was it as early as March or April? A. It may have been along there; it was in the early spring.

Q. From then on, did you ask him to interest himself? A. I do not know that I ever discussed it with him again; he had been back and forth here and discussed the matter with Mr. Travers, been in touch with Mr. Travers.

Q. Since when? A. Since that time he had been in Toronto.

Q. The earliest telegram I have got is dated March 17th, 1906, to you, signed by Mr. Calvert, "Party referred to in letter declined; writing"? A. That was I think J. B. St. Denis Lemoine of The Senate, and I presume that was one of them. On the telephone I asked him to see him to see if he would subscribe for ten thousand or twenty thousand.

Q. Who else did you see down there? A. I called on a number of people.

Q. Senator Domville? A. I talked to Senator Domville I think and Senator Merner, and I think I talked to Willis Bennett; I saw him there, and I do not know how many more. I think I left there on Saturday night.

Q. Was Mr. Emmerson a friend of yours? A. Yes, sir.

Q. Did you see him? A. I do not remember now how many I did see.

Q. What were you down in Ottawa seeing so many people for? A. To get stock subscribed.

Q. Was that all? A. I do not know.

Q. You wanted some one to go on the Board? A. It was not left in my hands altogether.

Q. What were you doing it for then? A. I was told if I could get some good men to go on the Board—if all the men had gone on the Board, as one of them said, the Bank would never have got away from shore.

Q. What is that? A. If some of the good men had remained on the Board who promised to go on and promised to subscribe for stock, if they had remained on the Board the Bank would never have got away from shore, it would have been on the rock yet.

Q. It is certainly on the rocks? A. It is a different kind of rocks now.

Q. You had been down in connection with the extension of the Charter? A. I had not, no, sir.

Q. Did you write about it? A. Not to my knowledge.

Q. Did you ask any Members of Parliament to interest themselves in having it extended? A. Not that I remember of, may have; I don't know; I don't think I did—I may have said in a casual way, they may have said something about it, and I may have said I guess there should not be any trouble, or something of that kind, to my knowledge.

Q. Had you any business dealings with Mr. Calvert? A. I have had.

Q. During that twenty or twenty-five years? A. Yes.

Q. Knew him pretty intimately? A. Fairly well.

Q. Ask him to go on the Board? A. Yes.

Q. Which he declined? A. No, he did not decline then.

Q. He declined in July? A. Well, I was not aware of that; I do not remember anything of it.

Q. Travers did not tell you that? A. I do not remember anything of it.

Q. You asked to see this letter; it is dated 27th April, 1906? A. I remember something of this letter, but I got this letter after I got back home; I remember that distinctly.

Q. That is all right; you asked to see the letter which mentions the influential friends you had there, you thought perhaps you could tell me if you saw the letter? A. I remember now since I saw it, I remember the letter coming back to me from Ottawa.

Q. Who did it refer to? A. It is a myth, I do not know; I presume one of them; I had several friends there.

Q. Who were they? A. I do not know; it was not acted upon, because the letter came back, and it does not interest me.

Q. The letter asks you: "I wish you would get one of your friends there to find out from the Receiver-General's department whether a deposit receipt of one of the banks for $250,000 would be accepted as our deposit held by them for the thirty days, without asking to have it cashed. Kindly look into the matter because through some of your influential friends there you might have this agreed to even if it was an unusual departure"? A. Yes.

Q. That is written by Mr. Travers to you; cannot you tell who your influential friends were? A. I remember distinctly that that letter came back to me a day or two after I had got back home; so that it was not acted upon in any way.

Q. I did not ask you that; you did not make the inquiry because you did not get the letter; but who had you told Mr. Travers were your influential friends that you thought you could get something done? A. He knew I had a number of friends, I have good business friends there, I have friends in politics in Ottawa.

Q. Who had you told Travers were your friends? A. I had not told him; he knew I had a lot of friends.

Q. Have you mentioned them all? A. No, sir; I told him I was going to Ottawa, and I thought I could get some subscriptions there. You take Fred Heney on the Richmond Road, a man probably worth one and a half million dollars, and I went and laid the matter before him, and he is one of my friends.

Q. In that letter Mr. Travers says: "I am enclosing you a new form of application leaving the proxy blank. Kindly take all your applications without putting the name in. I have a new wrinkle I will explain it when I see you."

MR. COMISSIONER: You asked him about that before, and he gave you his explanation.

MR. HODGINS: Did you get that letter from Mr. Travers after the charter was issued suggesting that the date should be left blank in the subscriptions? A. I do not remember; there were many letters went out and came back again to the bank that probably never reached me at all.

Q. "In taking your subscriptions from now on until say the middle of January Mr. Hunter has suggested that you leave the date blank so that we may make use of them in any way that may suit best on making up our next list"? A. If you look over the applications you will find possibly there are a great many not dated at all, that is even from the inception.

Q. You got that letter? A. I do not remember.

Q. It is addressed to you at Kerwood? A. I do not remember whether I got it or not.

Q. Did you act on it? A. Not to my knowledge, I do not know; I do not remember of having got it. I was jumping around a good deal. I may have got it or may not.

Q. If you got it you acted on it? A. I do not think I ever dated any, if you look at the whole list of subscriptions.

Q. We will look up? A. I do not know; I followed instructions; I was simply selling stock.

Q. Another point I want to ask you about is with regard to this subscription of yours for 500 shares: Mr. Travers says that this was signed by you without a date and carried around for some considerable time; is that the case? A. No, I understood that he said it was signed just before the Bank organized and dated back.

Q. Well, how was it; we will have your story? A. I understood that was the way.

Q. Which was it? A. It was signed subsequent to a letter I received when there was $485,000 and when I thought there was about the amount— I subscribed for $50,000 shortly after having talked with a gentleman—I think I explained it all to you before, that he was coming in and going to go on the Board and take thirty or forty thousand dollars—

Q. Yes; let me get that; you say you signed that after a letter in which he told you there was how much subscribed? A. I think four hundred and eighty-five or eighty-nine thousand dollars.

Q. This is the letter (Exh. 22)? A. Yes.

Q. It was after that you signed it? A. Some time subsequent to that, yes.

Q. You did not date it? A. I do not think I did, no.

Q. When did you first know that it became operative? A. I knew that it had gone through.

Q. When did you first know it became operative and had gone through? A. Not until after the bank was organized.

Q. You did not know it until after the Bank was organized? A. No, at least I did not know whether it had gone through or not, but I told this gentleman

I would secure for him, and I presume when I signed it for it had gone through just the same as any other subscription.

Q. You had a prior agreement that you were to get the selling of the second five hundred thousand dollars of the bank stock? A. Yes, that was the second agreement that I had.

Q. Was that prior to this application? A. Yes.

Q. And that was to be placed at 125? A. Yes.

Q. You never intended to pay up those 500 shares? A. I intended to transfer thirty or forty thousand dollars of it to a gentleman who afterwards went on the board.

Q. I am asking if you ever intended to pay it yourself? A. I intended to take a portion of it.

Q. But not to pay the whole thing? A. No.

Q. If they had $489,500 on the books on September 24th, what was your object in making this subscription? A. In securing it for this gentleman so that he could have it at par.

Q. What was his name—Menzies? A. That was thrashed out here before and it was misquoted in the paper, so that I do not wish to hurt any person's feelings.

Q. Was it Menzies? A. Yes.

Q. Did you attend and vote on that stock at the meeting? A. I did not vote.

Q. You were there simply as a proxy for others, were you? A. I do not think I voted anything.

Q. You are recorded as being there as a proxy, you and Travers controlling the meeting? A. I do not know that I voted; if you have got the votes, that is with my name signed to it, I will say I voted, but I do not remember having done so.

Q. You were at the meeting? A. Yes.

Q. And as a proxy? A. I was not aware of that.

Q. You are down for some 1,900 shares representing those shares as proxy? A. 1,900.

Q. That does not astonish you, does it? A. It does.

Q. Were you at the meeting? A. Yes, I was at the meeting.

Q. And you knew that you and Travers controlled it? A. I was not aware I had voted; I do not remember having voted.

Q. Did you know you and Travers controlled it? A. I did not know it.

Q. You went to that organization meeting not knowing that you and Travers controlled it? A. I did not know that my name was on any proxy; I did not know that I had been filled in any way on a proxy note.

Q. "Proxies representing 1,807 shares of capital stock and the following subscribers were present by proxy: W. R. Travers 1,333; W. J. Lindsay 1,899 shares;"—do you say you did not know that? A. I did not. They will have the ballots as they were cast.

Q. I am asking you if you knew that at the meeting? A. I must confess I did not.

Q. Up to that time had you made any arrangement with Travers as to who was to be President? A. I did not have anything to do with who was going to be President or who was not.

Q. Will you answer the question? A. Not to my knowledge.

Q. Did you go there not knowing whom you represented and not knowing who was to be president? A. I did not know I was in any such position as that.

Q. You seem to have been singularly innocent of your powers? A. I did not act upon it to my knowledge.

Q. You want us to believe that? A. I would like to have where I signed my name; there should be a record of that.

Q. And you did not know who was to be the president? A. I understood he was going to make Rory McLennan president up to the last minute, and he refused and finally he was made honorary president, and then Beattie Nesbitt was made president. Colonel Munro was to be president from the start, I understood but it was afterwards arranged and he stepped back; it had been arranged for some time before that Colonel Munro was to be president and felt very much hurt.

Q. Did you nominate any of the directors? A. Not to my knowledge.

Q. You nominated none of the directors; did you vote for any of them? A. I was not aware of casting my vote.

Q. Your position at that meeting was you did not know anything, did not do anything? A. That is news to me.

Q. Did you after the meeting obtain a contract or arrangement that you were to take up the balance of the stock at a premium of 25? A. They were inside and I was out in the outer office, and I was called in and I was asked how long it would take to place the balance of the stock, and I said it might take three months or six months, it might take three years, and might take six years; it depends entirely upon the conditions. I said I will place it as quickly as possible. Mr. McLennan said, "do you think you can do it in six months or nine months or a year"? I said, "I could not say until it is done," and I retired then. Sometime afterwards I got a little note saying it had been placed in my hands, from Mr. Travers, and that is all there was to it.

Q. That is the letter? A. Yes.

Q. Is that date correct December 7th, 1906? A. I presume it is.

Q. You said the 6th December, 1906, was a Saturday? A. I think it was, I am of the opinion it was.

Q. This letter dated the 7th, would in that view be on Sunday? A. I could not say, but I was under the impression it was a Saturday; it was at the close of banking hours anyway.

Q. How did you come to get that letter from Mr. Travers? A. I do not know whether I got it from him in the office or whether it was mailed to me.

Q. Would you try and remember whether you went in and saw him on that day and got that letter? A. I would not be sure, I have no idea.

Q. You cannot recollect? A. No.

Q. Did you nominate Mr. Gundy? A. I would say so if I signed the nominating paper, Mr. Hodgins, but not unless; I have no recollection.

Q. You would not admit it unless I confronted you with something signed by you? A. Yes.

Q. You have so little recollection of that? A. Of that meeting, that is quite right.

Q. You knew Mr. Travers was going to use that subscription of yours, didn't you? A. Will you let me see the cheque again, please?

Q. Yes. (Handing cheque Exhibit 28); you knew Mr. Travers was going to use that subscription of yours? A. I did not pay any attention to it at the time.

Q. Did you know he was going to use that to get the certificate? A. I signed it in the regular way; I did not know a certificate had to be got at that time.

Q. You did not know a certificate had to be got? A. No.

Q. At what time? A. At the time I signed that; I did not know what the technicalities of the bank was, or what form they had to go through before they started business.

Q. You did not know that? A. No.

Q. Did you know he was going to use that subscription as one of the *bona fide* subscriptions? A. I signed it in the regular way; that is all I know.

Q. You knew he was going to use it? A. I expected that it would go through in the regular way and be alloted to me.

Q. And it is a genuine subscription, is it? A. It was a genuine subscription, everything considered.

Q. It was? A. At that time.

Q. When did it become an irregular subscription? A. When he would not transfer it to Mr. Menzies.

Q. It was conditional, was it? A. It was not conditional at the time; I took it for the purpose, and then I tried to sell it afterwards.

Q. At par or at 125? A. Some of it at par and some of it at 125; he would not transfer it at any price.

Q. At this first meeting on November 26th, it seems you were authorized: "Balance of stock up to a million to be placed exclusively in the hands of Mr. W. J. Lindsay for one year at a commission of 10% per share payable on payment of premium, said stock to be sold at a premium of 25%"—that would be the date you say they had the meetings, and you were called in, November 26th, 1906? A. I presume that was the day.

Q. In that suit of yours against Travers and the bank, did you see Dr. Beattie Nesbitt in connection with that? A. I did not make any special effort to see him. I met him on the corner right opposite the Prince George and there was something said about it; that was all.

Q. What did you discuss with him? A. There was not anything much said. He said you had better come away up to the bank and get it straightened out and get it settled.

Q. Get what settled? A. Just what you asked me, the suit, the amount of money that was owing me.

Q. He knew about the suit? A. I presume he did.

Q. Did you tell him? A. Not up to that time.

Q. He did not know it from you? A. No.

Q. He wanted you to go right up and get it settled? A. Yes, and I said, "Mr. Travers has the books there and he knows what is due me and he can easily adjust it."

Q. Did you discuss then the payment of $5,000? A. It was not mentioned at all.

Q. How long did you talk? A. We did not talk more than three or four minutes. I said "there is no use in our discussing it, doctor".

Q. Had Travers been examined before that? A. I do not know whether he had; I cannot fix the date.

Q. Do you know whether Travers was examined? A. I do not know whether it was before or after we had started in to examine Mr. Travers or not. I have just this recollection of meeting him on the corner; it was only a few minutes, I was waiting for a car.

Q. Was the letter Dr. Beattie Nesbitt wrote to Mr. Travers produced on the examination? A. I think not.

Q. When did you hear of it? A. I heard of it when it was presented to my solicitors in their office.

Q. During what time, during the pendency of the suit? A. I do not know; I think it was during the time they were trying to get together, his solicitor and my solicitor, to get together to adjust it.

Q. Was not that before the suit? A. No, I think not.

Q. When it was presented to your solicitors did you discuss it with Dr. Beattie Nesbitt? A. No.

Q. Did you deny it, what Dr. Beattie Nesbitt said? A. I certainly did, I told my solicitor.

Q. Did you write to any one denying it? A. No, I simply told my solicitors; I do not know why I should write.

Q. Who did you tell? A. My Counsel and I discussed it.

Q. Who was it? A. Messrs. Masten, Starr and Spence.

Q. You did not tell all three? A. Yes, I guess they all knew and it was discussed.

Q. Who did you tell? A. I told Mr. Starr, and I think it was talked over with Mr. Masten, I would not be sure, I think they all knew.

Q. Tell me who you denied it to? A. Mr. Starr.

Q. Have you any doubt about it? A. No, not the slightest.

Q. You were not examined in that action? A. No.

Q. Had you any talk with Dr. Beattie Nesbitt after you knew about it? A. I do not think so.

Q. You never interested yourself in it? A. No.

Q. Dr. Beattie Nesbitt says this (Exhibit 37): "Referring to our conversation of yesterday, I remember well being in your office then upstairs"—that agrees with your view, that the office was upstairs—"On December 6th, 1906, and W. J. Lindsay coming in and handing me a parcel of Traders Bank notes, to the amount of $5,000"—is that true, that statement? A. It is not.

Q. You said that you recollect these were $50 bills? A. I do not think they had $100 bills in the bank; I asked them for the largest they had.

Q. Dr. Beattie Nesbitt thinks they were $100 bills? A. I do not think so. I said, "Give me the largest bills you have got" and I think fifties were the only thing they had; it was quite a large roll.

Q. You have a very distinct recollection of it? A. Yes.

Q. I am glad to know that, because it may help us to find out just what the facts are? A. A person could not carry $5,000 in their pocket without knowing they had it.

Q. I think I could carry $5,000 in my pocket if it was in $100 bills. "This was in accordance with a private arrangement I had with him"—had he any private arrangement with you? A. No.

Q. These statements in this letter are wholly false? A. As far as I know they are.

Q. You deny them all? A. Yes.

Q. And deny all that Mr. Travers says? A. Relative to that $5,000, yes.

Q. I see it was Mr. Spence and Mr. Cameron on the 31st May, which is three weeks after this letter was written, were your counsel and were examining Travers; did you not tell Mr. Spence anything about the Beattie Nesbitt Statement? A. Mr. Hunter brought that letter down to their office and I happened to be there at the time and Mr. Spence and Mr. Cameron knew about it and I said to let me have that, I wished to take it out, I said, to show to Mr. Starr, and I showed it toMr. Starr and there was a copy made of it.

Q. Do I understand you did not say to Mr. Spence and Mr. Cameron that letter was untrue? A. Yes, I did.

Q. You did tell them? A. Yes, Mr. Hunter will be able to tell you that.

Q. Mr. Hunter will be able to tell me that you denied it at that time? A. Yes.

Q. And you also denied it to Mr. Starr? A. Yes.

Q. There is no mistake about that? A. Not the slightest.

Q. Did you instruct Mr. Travers to be questioned about that letter? A. It was discussed, yes.

Q. What did you tell your counsel was the truth about this transaction? A. Exactly as I have explained it to you here to-day, word for word.

Q. There was not any private arrangement of any kind whether it is regarding this $5,000 or not, between you and Dr. Beattie Nesbitt? A. No, sir.

Q. That is all? A. There was something said the second to last day that there were something like fifty disgruntled shareholders before the organization of

the bank or during the early stages of the bank. I wish to state that is not correct, that the only disgruntled or only dissatisfied shareholders up to the time of the failure of the Ontario Bank I think were something like three or four; one Leslie who had gone to the bank to get their money and something had been said, and they were a little bit timid and frightened and they refused to take their subscriptions. They afterwards took the subscription, and the bank manager at Georgetown apologised to Mr. Travers through—Mr. Starr took it up, he apologised, and said if there was anything else that was necessary for him to say, he was willing to sign a letter to that effect, if that letter was not satisfactory. There was another case where they had gone to Brampton to get money and the shareholder was frightened—I forget the party's name—this was probably along in the month of May or thereabouts; the matter was taken up again by the solicitor and the same thing happened there that he said the gentleman had not said anything detrimental in any way to Mr. Travers. That was done through Mr. Starr or Mr. Travers. Outside of those until that hornet's nest was stirred up there by Mr. Laidlaw at the time he was out defending Mr. Dixon in a case that he had and the failure of the Ontario Bank, there was no one dissatisfied; so that the fifty or one hundred all came after the failure of the bank.

MR. COMMISSIONER: Am I to understand you to say that you knew nothing and heard nothing about the shares of Mr. Nesbitt being paid for by anybody? A. Not until after the—it never was discussed with me until after the organization of the bank.

Q. Had not you heard of it? A. Not until after the organization of the bank.

Q. How soon after the organization? A. Some time afterwards, probably a month or two.

Q. From whom? A. Mr. Travers said that I should pay half of it and I said "No, I would pay no portion of it."

Q. Half of what? A. Half of the amount that Beattie Nesbitt was to get, $3,000.

Q. Was it spoken of as something to be done or something that had been done? A. It was spoken of as something that had been done.

Q. That he had been paid? A. Yes.

Q. And he wanted to get half back from you? A. And he wanted to deduct half out of my commissions.

Q. Do I understand your statement about this cheque correctly, that you took it to the Traders Bank and got $5,000 in money, you think in fifty dollar bills, and that the rest of the cheque was placed to your credit or to the credit of some account of yours? A. Yes.

Q. Who wrote those words "10,000" on the back of it, does not that indicate it was all paid out in cash? A. That is something of the bank.

Q. You do not know what it means? A. No, sir.

Q. Was it not a very peculiar transaction that you would get a cheque payable to your order which was a voucher that you had received $10,000 from the Farmers Bank on account of your commissions and you would go and upon the word of Travers get $5,000 in cash and hand it to him without getting any voucher or receipt; does not that seem a pretty strange business transaction? A. No, sir, not the way we had been doing business.

Q. Why did not he make this payable to bearer if he had so much confidence in you and you in him; why was it made payable to order? Bearer is struck out and order substituted? A. That I could not say.

Q. Do you mean me to understand that you were not curious enough to find out what he wanted the $5,000 for? A. No, sir.

Q. Made no inquiry? A. No, sir, made no inquiry.

Q. He simply asked you to go and get it? A. Yes. He said some time before, "Now I will be able to pay you a portion of that commission as soon as that money comes back from Ottawa.

Q. What has that got to do with what I am asking you; I am asking about $5,000 which you say you gave him; did you not ask any question as to why he wanted $5,000? A. No.

Q. Who suggested it, did anybody suggest what bills it should be got in? A. There was not any one suggested that.

Q. How did you come to suggest that? A. I asked the teller in the bank to give me the largest bills he had.

Q. Why did you not get a cheque of the bank? A. I did not think of that.

Q. What did you suppose that on Saturday, as you say it was after banking hours, he would want $5,000 in fifty-dollar bills, what did he want that for? A. I did not stop to think.

Q. And you did not ask? A. No, I did not ask.

Q. And you expect me to believe that? A. Those are the facts, my Lord.

Q. Did you discuss with McCorquodale what this $5,000 was wanted for? A. No, sir.

Q. It seems to be just an ordinary business transaction? A. He had credited half of all the commissions that I understood he had received—

Q. You are evading my question; what I want to know is why you went down and got this money and brought the money in fifty-dollar bills and gave it to him, as you say you did; that is the point, not about the division of the commission; why was that done? A. I never gave it any thought.

Q. Did not it look as if some kind of under hand thing was to be done? A. No, sir, not as far as I was concerned in the matter.

Q. People do not usually go and draw $5,000 on a Saturday after banking hours in fifty dollar bills unless they are going to use it for some special purpose do they? A. Well, I do not know.

Q. Do you make the statement that you did not know it was necessary before the bank opened its doors that it should get a certificate from Ottawa? A. I thought it had to get a charter.

Q. You did not know anything about the other? A. No, sir.

Q. Did you know anything about the necessity of paying into the Department money before they could commence business? A. Yes, I understood that $250,000 had to be paid.

Q. That does not comport very much with your statement that all it wanted was the charter? A. That is all that I understood.

Q. All that was wanted was that? A. The completion of the $250,000.

MR. HODGINS: I would like you to ask for those cheques at the bank and come back this afternoon? A. If I can get them.

Q. I would like you to attend here anyway at two o'clock, whether you have them or not. A. All right.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M.

W. J. LINDSAY, recalled:—

MR. HODGINS: Whose handwriting is that in (referring to a paper containing columns of figures)? A. I do not know; it looks like Mr. Travers writing.

Q. Is it yours? A. No, sir.

Q. Did you ever see it before? A. Not to my knowledge.

Q. Have you been able to get those cheques from the bank? A. No, sir, I was down there; they have not got them yet.

Q. I have a copy of your account in the Traders Bank, have you the Traders Bank book? A. No, sir, I left it there in December when I went away.

Q. December what? A. A year ago last Christmas.

Q. Left it in the Traders Bank? A. Yes, and I have not been able to get it since.

Q. I see a deposit on December 6th, of five thousand dollars? A. Yes, sir.

Q. Is that the five thousand dollars you spoke of? A. I presume it will be.

Q. December 7th, I see cheque to A. T. H. Luxton, was that your cheque? A. Yes.

Q. Dated December 7th? A. Yes.

Q. December 10th, cash, personal, three thousand dollars, what is that? A. That was an amount that was transferred to another account.

Q. What other account? A. Some money that I owed.

Q. That is not telling me about another account? A. It was an account that I owed three thousand dollars to.

Q. What account was it? A. I have forgotten just for the moment.

Q. Can you look that up? A. I think it was moneys that I owed my wife that I gave her.

Q. Moneys you owed your wife? A. I think it was.

Q. I did not understand you owed your wife any money? A. Well, you never asked me.

Q. Did you? A. I did.

Q. And December 10th, you say you transferred it to another account? A. I think I transferred it to her account if I remember correctly.

Q. Drawn out in cash? A. I have forgotten whether it was drawn by cheque or not, I guess it was cheque.

Q. How was the Luxton payment, December 7th, made? A. That was commissions.

Q. How was that paid, in cash or cheque? A. Cheque.

Q. You remember that? A. Yes, I remember having it marked.

Q. Don't you remember this three thousand? A. I think it was paid by cheque.

Q. What account was it put into, this three thousand dollars? A. I think that is where it went to.

Q. Where? A. No, I would not be positive but I think that is where it went to.

Q. You have not told me yet? A. Yes, I have told you, I think I transferred it by cheque to my wife's account.

Q. In what bank? A. I do not know if it was in the Bank of Montreal or the Bank of Commerce,

Q. She had an account there? A. Yes.

Q. In either one or the other? A. Yes; she had an account both places; or it may have been a payment on property I owned in Fort William; I am not clear on it.

MR. COMMISSIONER: What are you reading from?

MR. HODGINS: Copy of W. J. Lindsay's account in the Traders Bank? A. Those are papers in connection with my suit against the Bank and W. R. Travers. I presume that is what they are.

Q. You had a copy made for the use of the other side? A. I think that is a possibility; that is what they are; I do not know.

Q. Do you know anything about this cheque, exhibit 36, dated December 7th, 1906, and payable to W. R. Travers? A. No.

Q. You do not know anything about that? A. No.

Q. Never heard of it? A. No.

Q. What is this cheque which is part of exhibit 35, dated December 8th, to you for one thousand dollars? A. I do not know; I presume it was on account of commissions.

Q. Do you know anything about it; have you any recollection about it; it is just two days after you got the ten thousand dollars that you profess to have an excellent recollection about? A. My signature is on that, I presume that I got it all right; I have an excellent recollection of the other.

Q. You did not draw that in cash? A. No, I deposited that.

Q. You deposited that in the Bank of Montreal? A. Yes.

Q. Where you evidently had an account as well as in the Traders Bank? A. Yes.

Q. You cannot account for what that was paid for? A. No, I do not remember; there was never any statement of what the individual cheques were issued on, what subscriptions they were issued on.

Q. You had no claim except for commissions? A. That was all, with the exception of a claim—I put in a claim of I think—I put in a fee for the work done in connection with the Laidlaw people which you will probably run across some place.

Q. That is all; I would like you to come back to-morrow with the cheques from the Bank? A. I will come back with or without them.

Q. I should like you to make inquiries? A. I will do so again.

MR. HODGINS: I have looked up the charges of these various items in the provisional ledger.

MR. COMMISSIONER: Is that with reference to the $506?

MR. HODGINS: No, with regard to the ten thousand and five thousand; those are charged under the head of stock commissions and organization expenses; they are each charged under the heading of Travers. Then in the Provisional Directors' cash book the ten thousand dollars is charged to stock commissions W. J. Lindsay, and the five thousand dollars stock commissions W. R. Travers, respectively on the 6th and 7th—the permanent books the ten thousand dollars is charged on December 6th, to organization expenses, and the five thousand dollars on the 7th, to the same; and they are so carried into the permanent ledger.

W. H. HUNTER, recalled:—

MR. HODGINS: You already have been sworn in the matter? A. Yes.

Q. I see a cheque dated December 6th, 1906, to you for $250, do you know what that was for? A. For legal expenses.

Q. In connection with your trip to Ottawa? A. And the general work I had been doing.

Q. Was it in full up to that date? A. There had been no account rendered; Mr. Travers handed me that cheque.

Q. December 6th appears to be quite a day in the history of the bank? A. I did not know about any other cheques issued that day.

Q. Mr. Travers said you went down to Ottawa with him on the occasion of getting out this certificate? A. Yes, I said so.

Q. And that you came back before he did? A. Yes.

Q. And that you sent him down the subscriptions? A. Well, that I think he is mistaken in; I do not think the subscriptions ever left the head office of the bank.

Q. Mr. Travers was pretty circumstantial about it; he even recollected taking them to Mr. Boville's office? A. If they were sent down I did not send them down; I did not know they had gone.

Q. You remember being examined before? A. Yes.

Q. And I pointed out to you that letter of Mr. Fitzgibbon's? A. Yes.

Q. Which said you came in and went over the subscriptions? A. Yes; and what I said on that occasion I would repeat now is that I thought that I went in to examine the shareholders' register to see that the amounts had been applied upon the shares in respect of which the notes had been discounted. I did not see what advantage to me at that time the subscriptions would be, it would not help me on that end of it.

Q. Mr. Fitzgibbon writes you went over them and Mr. Travers says they came down from you; now, in view of that, do you still say that you neither looked over the subscriptions nor sent them down, did not know they were gone down; I will not say I did not look them over, but I have no recollection of looking over them; that is not what I was there for that day.

Q. You were there when Mr. Travers first saw the Finance Minister, were you not? A. No.

Q. Had you left before he had had his first interview? A. Yes; my recollection is the only party that I saw with Mr. Travers or without him was the Chief Clerk, Mr. Ross.

Q. When you came back you think all you looked at was the book with the stock entries in it showing how much had been paid? A. That is my recollection.

Q. You have shown us the book you thought you must have looked at? A. Yes.

Q. And it was for what purpose? A. To see that the money had actually been applied in respect of the shares. If we had to make the argument that I expected we would have to make in Ottawa on that subject I wanted to be sure that the fact was right that it had been received in respect of shares, of specific shares; it seemed to me that was the ground work of it.

Q. Did you realize when you looked over that book that that book does not show anything at all about notes, it shows nothing but the stock subscription, and when money was paid? A. I would like you to ask Mr. Fitzgibbon as to that, whether those sheets were re-written, because I remember referring to the outer column, and I still think I was looking at the outer column of that book.

Q. As showing whether there was a note? A. No, as showing the amount that had been received in respect of that share.

Q. That does show that and shows the date of its receipt, but does not show anything about the note; so that if you wanted to see whether the amount was credited as against a note you would not see it in the book? A. Yes, but the total that was shown would have to be made up of the amounts that were credited to individual shares?

Q. Yes? A. I did not want to be landed in this position if we were to argue that point, that there was a bulk transfer entry received in respect of capital stock. It should be received in respect of particular shares in order to become capital.

Q. But as I understand it, the point in your mind was if a man gave a note and a certain amount was stated in the list to have been received from that man you wanted to know that that amount had been pledged as against the note? A. No, that the proceeds of the discount had been applied on his shares; you are reversing it.

Q. Then I say again you would not find a trace of that in the book that you looked at? A. I would find the whole of it there; I would find that the total of

that column would agree with the amount that had been represented by the papers as having been received in respect of capital stock, and that it would have been distributed over the shares instead of being, part of it being received in a bulk item.

Q. Take a concrete case; supposing in the list that went down to Ottawa, A.B. they credited with having paid two hundred dollars, you would look in the book to see whether there was the credit to A.B. of that two hundred dollars? A. Yes.

Q. Then if that book that you looked at does not show in the cases we object to any such payment what would you say then? A. I do not quite follow your question.

Q. If the printed list or the list which was sent down to the Government showed two hundred dollars paid on A.B.'s stock, and the book that you looked at showed that A.B. had paid nothing? A. I do not think that book showed that. I think the book that I saw on that occasion corresponded name for name and amount for amount with the list that had been prepared by Mr. Fitzgibbon.

Q. If the book that you spoke of on the last occasion does not show anything of that kind it would not be the book you looked at? A. That is why I am suggesting that you might ask Mr. Fitzgibbon whether those particular sheets were re-written.

Q. Would you mind just looking at the book again? A. You showed me on the other occasion it included payments after that date, that is why I think—it is a loose leaf ledger book—that he kept his accounts, brought them up to date at different dates.

Q. No doubt; then that book, the sheets of it, would take in a dozen years in payments, but it does contain the column for 1906? A. Yes.

Q. And that would be I suppose all that had been written up at that time? A. I cannot say; my impression is those are not the sheets I saw bound in that book at that time.

Q. (Shows witness EXHIBIT 19)? A. This is not the one, is it, you showed me before?

Q. Is this the book? A. I do not think this is the one you showed me on the last occasion; was it not typewritten?

MR. COMMISSIONER: This is one of the things you saw, I suppose (EXHIBIT 17)? A. As I understood Mr. Fitzgibbon the day I went into the bank the book that I saw corresponded in every particular with that list he sent in.

MR. COMMISSIONER: He did not verify it; he took Fitzgibbon's statement.

MR. HODGINS: It was a book different from this book (EXHIBIT 19)? A. It was like that book.

Q. It was not this book? A. It may have been that book, but the sheets may have been different. That is a loose leaf ledger. They may have been re-written a dozen times before this particular one; if this is down to the date of the closing of the affairs of the bank it may have been re-written a dozen times.

Q. At all events it would be one similar to this (EXHIBIT 19)? A. Yes. that is my recollection.

Q. And it contained payments? A. It contained the dates just as this one does as I recollect, the date of application, the date of allotment and the date of payment.

Q. This first page ends with the payment of the first stock, which would have been all that would have been up to that time? A. No, other people had paid more than one call; there were subscriptions taken that were payable so much each month.

Q. Then it would contain columns? A. That is my recollection of it; and then it was gathered up in the outer column.

Q. All that you were interested in was in seeing that that book of the bank corresponded with the statement to the Government? A. Yes.

Q. You were not at all interested in finding out anything about the notes? A. How about the notes?

Q. Because the payments in that book, and I presume in the book you saw, did not show anything about any notes being taken? A. I do not think it showed anything about any note being taken.

Q. I thought the question you were interested in was the question as to whether when a man gave a note and the note was discounted the payment was allocated to him exactly in the amount of his note, or the amount raised on his note? A. The point that was interesting me was I did not want to be confronted with a bulk entry in their capital account, and that was the only thing I was interested in; if the money had been distributed I could not tell whether it was distributed to John Smith his correct proportion or not.

Q. You wanted to see the plan? A. Yes, the method of applying the advance that had been obtained.

Q. They had assumed to apply it to individual shareholders? A. Yes.

Q. At all events you satisfied yourself there was no bulk sum to some bulk account, but they had assumed to apply it to individual shareholders? A. Yes.

Q. Whether the shareholder had given notes or not? A. I could not tell from that whether a man had given a note or not.

Q. When you had been called in to advise was not your advice based upon the idea that notes were being discounted? A. On what occasion?

Q. By the Trusts & Guarantee Company originally? A. The Trusts & Guarantee Company, Mr. Warren asked me to call upon Mr. Travers and to talk the matter over with him. Mr. Travers explained to me at that interview how he was going to apply it; I gave him no advice, but I reported to Mr. Warren that it appeared to me to be sound.

Q. What was it he said he was going to do? A. He went through the matter; he told me that the notes were being discounted without recourse to the bank, that he was paying in for the shareholder the amount of his note, that as between the bank and the shareholder the bank could not say to the shareholder that the share was not paid, but that the shareholder would still owe personally the man who held his obligation the amount of the note.

MR. COMMISSIONER: What do you mean by held his obligation? A. Note. That seemed to me to be sound; Mr. Travers explained how he intended to apply it.

MR. HODGINS: You so reported to Warren? A. Yes, that I thought his method was sound.

Q. When the preparation of the list took place you were acting as solicitor for the bank? A. I was acting as solicitor as I understood it for the provisional directors.

What if any part did you take in the preparation of the list? A. In the preparation of the list itself?

Q. Yes? A. Nothing more than I have told you, answering in front of Mr. Fitzgibbon a question put to me by Mr. Travers.

Q. You gave us that I think on the last occasion? A. Yes, I took no part in the preparation of the list as a list.

Q. Travers said when it was finally made up and the payments finally put down on it it was submitted to you? A. I have no doubt that the completed thing passed through my hands because it was marked as an exhibit to Mr. Travers' declaration, but I think that would be all that I would see of it, and I certainly made no examination of it.

Q. Then of course you would never think of looking over it when you were marking it as an exhibit when he said it was submitted to you as solicitor for the bank? A. I am telling you as far as my recollection goes, and my recollection is distinct upon it, what I had to do with it.

Q. That it was submitted to you? A. In the sense of my approving how much was put to this man and how much to this man?

Q. Yes? A. Certainly not.

Q. That I understand is Mr. Travers' statement? A. I have not seen it nor heard it.

Q. At all events it is not so if he does say so? A. I may point out just in that connection that I did not know of the further advance that was made by the Trusts & Guarantee Company, so if it was submitted to me I would have to check it up, I would check it up on the basis of an eighty thousand dollar loan, not a one hundred thousand dollar.

Q. Certainly; I do not suppose you would undertake to do the checking of the figures; but you of course knew this amount was being distributed, and you saw it was being distributed in separate sums, and that had your approval? A. The method appeared to me to be sound.

MR. HODGINS: Mr. Hunter has just mentioned to me that he relies on some passage in some work that probably in fairness to him he might be allowed to state?

MR. HUNTER: If you would allow me in that connection to state, during the earlier part of that Fall I was discussing with Mr. Warren a matter in which the Trusts Company was not interested at all, relating to an insurance company that came before the Royal Commission, and in connection with that I gave him an extract from Thompson "Commentaries on the Law of Corporations" that seemed to say that that was a sufficient compliance with a statute of that sort, and that was in my mind when Mr. Travers was explaining to me how he intended to apply this.

MR. HODGINS: Perhaps you can give me the reference to it?

MR. HUNTER: I think I can lay my hands on it without any trouble, and will be glad to do so.

ALEXANDER S. LOWN, Recalled by

MR. HODGINS: Q. There is a statement here showing the amount of $560 that was paid to you; it was kept as a separate account altogether from the organization expenses, and appears to have been paid to you in sums of $85, $25, $10 and $100, etc? A. It is part of the organization expenses.

Q. It is not so charged? A. My recollection was this: Myself and Mr. Smith were at that time practically in charge of the bank; those cheques were drawn for travelling expenses and other expenses. At the meetings of the Board accounts were rendered and passed; the details of that $560 I cannot remember.

Q. You do not know why it was kept separate? A. I don't know why it was kept separate.

Q. Who would know what it was for? A. Mr. Smith had full charge of the bookkeeping, and I never concerned myself with the bookkeeping in any way whatever.

Q. And just charged up to you as if it was advances to you? A. Yes.

Q. You cannot account for it yourself? A. No, excepting, for instance, I went out to quite a number of different places for the bank, and I would get a cheque for $25 for my expenses, and that was apparently charged up to me.

Q. You were the President or Chairman of the Provisional Board? A. Yes.

Q. And you signed all the cheques? A. Yes.

Q. Was any account kept of the expenses of the Provisional Directors, which appear to have reached between forty and forty-four thousand dollars? A. Yes.

Q. Who kept that? A. That was kept by Mr. Smith; it will all be in here.

Q. There is nothing in that; that is the ledger? A. It is all kept very carefully in some of the books.

Q. You were how many years in charge? A. I should say a year and a half.

Q. And you spent $44,000? A. Yes.

Q. In commissions? A. Yes.

Q. Travelling expenses? A. Yes.
Q. Directors' fees? A. Yes.
Q. And that was all? A. Yes.

MR. COMMISSIONER: Did that include any of Lindsay's commission? A. That would include a portion of Lindsay's commissions.

MR. TRAVERS: Salaries?

MR. HODGINS: That would go right down to December, 1906, meeting? A. Yes.

Q. However, the bulk of it was spent before Mr. Travers had to do with it? A. I do not think so, I should say——

Q. Who kept an eye on whether the expenses were fair and legitimate or not; you were all in receipt of directors' fees and salaries? A. I do not suppose any one did.

Q. Did any one check them over when the bank was taken over? A. They had been checked over half a dozen times.

Q. Did any one check them over with a view of seeing whether it was a fair amount or an excessive amount? A. Mr. Travers I understood had them checked over once or twice.

Q. You say Mr. Travers did? A. Yes.
Q. He is the only one that did anyway? A. Yes.

Q. There was no official charged with the duty of seeing that the Provisional Directors were only spending what was fair and reasonable under the circumstances? A. I do not see how there could be any official.

Q. It is a matter of interest if banks are organized in this way that there should be some check; there was no auditor appointed by the subscribers? A. No.

Q. And it appears Mr. Travers took the thing over, just accepted the figures and let it go? A. I think that the figures were checked over afterwards and all the vouchers; I think they are on the minutes, statements there that the accounts had been checked over and found correct in accordance with the vouchers.

Q. By whom? A. I don't remember.

Q. It would make all the difference in the world who did it; Mr. Travers says that the Provisional Directors refused at one time just previous to the 4th July, 1906, to allot the stock that had been subscribed because it would give him the control? A. No; there was a dispute between him and some of the directors with regard to the question of taking notes.

Q. Of taking notes? A. Yes.

Q. But apart from that Mr. Travers says broadly that he was practically held up by the provisional directors, they refused to allot, and that he had to come to their terms and agree to pay them $20,000? A. That it not correct.

Q. Have you any other explanation of how that $20,000 came to be agreed upon? A. Mr. Travers had been promising the directors to make some provision for them. At that time there were several causes of friction, and this was a sort of a general meeting to remove all causes of friction.

Q. There was friction? A. Yes, and especially between the agents and Mr. Smith.

Q. Friction was removed by this payment of $10,000? A. Yes.

Q. Which was made to directors out of moneys received from the subscribers? A. Yes.

Q. Why was the agreement deposited with Robertson & Maclennan and not to be withdrawn except on the signature of the directors? A. I think as a matter of convenience.

Q. There is no convenience about storing it up with a solicitor that was not acting for anybody? A. We thought about putting it in a deposit box, and it was afterwards considered we would just leave it with Mr. Robertson.

Q. What was the object; people do not usually lock up agreements of that kind?

MR. COMMISSIONER: Was it in duplicate? A. I think so.

MR. HODGINS: I do not think so. A. This was a matter of private arrangement amongst the directors.

Q. Mr. Robertson, who gave evidence in another case, said he did not know anything about it, did not know why, it was simply left with him to be delivered up on the signature of the directors? A. I think that was a matter of arrangement among the directors.

Q. Can you explain that? A. I think for the convenience of the five different directors.

Q. Convenience in getting money from Mr. Travers? A. No, I do not think so. You see the money was obtained, and the money, all the money that was ever obtained from Mr. Travers was obtained before that was deposited with Mr. Robertson.

Q. Oh, no. It was not got out till after he made his final payments on account of the last $10,000? A. The final payments were very small.

Q. But it was kept there till he made those final payments and you agreed to hand it over; you think it was a matter of convenience; that is the way you put it? A. Yes.

MR. COMMISSIONER: I do not think it was in this connection, but he spoke of not wanting him to get control of the stock; I don't think it had anything to do with this particular thing. Would it not be likely that the Provisional Directors would not want Travers to get control of the whole of the stock; would not that be a likely thing? A. I don't think the matter was ever discussed amongst the Provisional Directors about Travers getting control of the stock.

Q. What was your idea when the bank was started, were you to have a place on the Board or were you to drop out entirely? A. In the first place I was to have either the solicitorship of the bank or I was to have some place in the bank. At the time of the agreement myself and Mr. Smith were both dropping out entirely.

Q. And the others? A. The others were all dropping out.

MR. HODGINS: The real point as I understand it was this, that the agreement to pay them this amount of money was conditional on the assent of the subscribers and that they thought if Travers got control of the whole thing he could control the whole meeting and it would never be ratified.

MR. COMMISSIONER: You have not put it that way to this witness; put it that way and see what he says.

MR. HODGINS: What do you say to that; the position appears to be this, if you allotted to Travers, allotted the stock that Travers had got, and he was proxy for it he would then be able to control the meeting and elect his own Board and that Board of course would have to ratify any payment to you and any payment of expenses, and you people did not like to put yourselves in his hands to that extent, and therefore you refused to allot to him until he signed that agreement with you and paid you $10,000, and left the agreement where he could not get it until he paid the balance and then and only then did you agree to allot; that is the view he presents? A. It is rather mixed up; there are several things mixed up in the question as far as I see. Our objection to allotment, as far as there was an objection, was the question of these notes: that was the only question that we had.

Q. What was the difficulty there about the notes? A. About June stock subscriptions began to come in accompanied by notes, and some of the directors were of the opinion that we had no right to allot stock accompanied by notes which varied the payment from the terms of payment in the application. An adjournment was made until we got advice on that matter. I do not think we ever had any—there was no holding up of the matter with regard to Mr. Travers, we were quite willing to take Mr. Travers' word for the matter.

Q. The agreements rather seem to bear his construction; you do not think there was anything like that about it? A. No.

Q. You do not think the payment of $10,000 made any difference in your views as to taking notes? A. We depended on Mr. Urquhart's letter.

Q. Relying on the agreement you handed over everything to Travers after getting the money to keep the agreement and pay the balance? A. Yes.

Q. And you did not care whether the subscriptions were any good or not, that was his side, his lookout; that is what it came to? A. Yes, that is what it came to.

Q. Who was the man Travers had to deal with, you or Smith or Fraser? A. Most of the negotiations were conducted between Mr. Travers and myself.

Q. We have your explanation about it then.

MR. COMMISSIONER: The first agreement provided that what you were to get was to be subject to ratification by the Board? A. Yes.

Q. Now, Mr. Hodgins has asked you would it not be plain that if Travers, who was to pay this, controlled the stock list and controlled the Board, he might make his agreement worthless to you? A. Yes.

Q. He wants to know had that anything to do with the action you took when you changed it into something by which Travers became personally answerable? A. Why certainly.

Q. The only point of difference between you is Travers says that you forced him to this position by refusing to allot the stock; do you agree or differ from that? A. I differ from that.

Q. What was the lever you used, persuasion would not do much, would it? A. Of course there was this lever that the sale of the larger portion of the stock was in the hands of Mr. Smith, not Mr. Travers.

Q. What difference does that make, if the Power of Attorney were in Mr. Travers' name? A. It might make differences as to future stock.

Q. At all events you did take the position you would not allot stock, whatever the reason was? A. Yes.

Q. You think it was because of this difficulty about the note? A. Yes.

Q. And you ultimately did decide to allot? A. Yes.

Q. And was that contemporaneous with your getting the agreement by which Travers became personally answerable and paid you the $10,000? A. Yes.

FREDERICK W. STAIR, Sworn, Examined by

MR. HODGINS: Q. You live in Toronto? A. Yes.

Q. And own the building which the Farmers Bank rented? A. Yes, sir.

Q. Your name is found on a note in connection with a loan which Mr. Travers or the bank got from the Trusts & Guarantee Company? A. Likely.

Q. The note was $9,000, I think? A. Yes.

Q. How did you come to give it? A. I subscribed for $10,000 worth of stock and I gave a cheque for $1,000 and they were to carry the rest of it, renew it for a year if I required it.

Q. Did they do so? A. Yes.

Q. Did you pay the note up afterwards? A. Yes, sir.

Q. How? A. I think I paid partly cash and part applied on rent.

Q. When you made that note did Mr. Travers tell you what he wanted it for? A. No, I was not taken into any of the secrets of the organization; I paid him $1,000 cash and gave him my note for the balance which I had subscribed.

Q. Who took your subscription? A. Mr. W. J. Lindsay.

Q. When did you make your subscription? A. It was in the fall of 1906; I can give you the date of the cheque.

Q. Very well? A. I was looking for the notes; I don't know where the original note is; there are some renewals; there is the cheque and here is the stub of it. I issued the cheque to my Attorney.

Q. Curry & Eyre? A. Yes; and in the stub I noted down what it was given for.

Q. Dated October 9th, 1906; the note then would be dated the same day? day? A. I think so.

Q. And that is all you paid during that year; was the note taken at a year? A. I won't be sure; I hardly think it was.

MR. COMMISSIONER: You have one of the renewals? A. There are both renewals.

Q. May 1st, 1907, six months; $9,000? A. I gave the original note I am quite sure at the time I gave this cheque; this was before the bank had got organized, before they started business in my corner down there Mr. Travers came to me and wanted me to change that note for a personal note to him for I think it was sixty days, and then he would give me this note and take my note again for the six months or whatever it was, I forget now; anyway there were two notes given after, and I cannot find the original note nor the one I gave Mr. Travers.

MR. HODGINS: Did you ever hear from the Branch out in Milton or any place but the Head Office about your note? A. No, sir.

Q. Who did you deal with, Travers all through? A. Yes.

W. R. TRAVERS, Recalled:—

MR. COMMISSIONER: Have you got through your head, Mr. Hodgins, what Mr. Travers' explanation of this $10,000 is? Will you ask him again about that? Here is what he says at page 417 of his evidence. (Reads portions of pages 417, 418, etc.)

Q. What became of the $5,000 in money? A. The $5,000 in money went to me; I got the $5,000 and I gave a cheque for it charged to my commissions; there is $15,000 charged to my commissions.

Q. Does that $5,000 cheque say for commissions? A. No, but it is charged up to commissions. I said he brought back $10,000; after hearing this evidence of his I am wrong in that because he says he put $5,000 to his credit.

MR. HODGINS: There is a $10,000 cheque and a $5,000, $15,000 is accounted for; and $5,000 according to the witness went to pay Nesbitt's stock? A. The Cash Book will show that.

MR. COMMISSIONER: How is it charged in the book? A. Organization expenses $5,000.

Q. And that represents this cheque, EXHIBIT 36? A. Yes.

Q. Where is the entry on the other side, the debit of the $5,000? A. There it is, Nesbitt's stock, $5,000 (in Provisional Directors' cash book).

Q. December 7th? A. Yes.

Mr. Travers refers to EXHIBIT 19.

Q. Does that book show $5,000? A. It shows $5,000; $3,000 October 22nd, and $2,000 December 7th; the $3,000 is put on there.

Q. On the discount? A. Yes.

Q. How did they balance the books when these applications were made out, how did it show in the books when you applied the moneys that had been got from the Trusts & Guarantee Company on the shares? A. We made no entries in the books for that at all. We made no entries in that until the bank was organized on the 26th November and a regular set of books.

Q. Then what did you do? A. Then we brought it forward; I am not quite sure how Mr. Fitzgibbon brought that forward; I think he will have to explain that himself. There was an entry made for it but I cannot tell exactly what that was, but I think it was capital account though.

MR. HODGINS: I will ask Mr. Fitzgibbon about that.

Q. Were there any notes or cheques in your private desk when the failure took place? A. I think there were some.

Q. What became of them? A. I sent them in a box, I think, over to Mr. Owens' office with some of the Keeley Mine papers.

Q. Is that E. J. W. Owens? A. Yes.

Q. Would he have them yet? A. I could not say.

Q. However, you sent him a box which you think contained these. A. My recollection is I sent him a box with some Keeley Mine books and papers and some private cheques of my own.

Q. Cheques of your own would be for $6,000, $4,000, and $3,000? A. No, I do not think so.

Q. What would they be for? A. They were grocery accounts and livery accounts and such things.

Q. Were there any cheques such as I mention or notes such as I mention? A. My account will show it.

Q. Were there any in your private box held by you or private desk? A. What do you mean?

Q. I am suggesting that there were notes signed by somebody else? A. There were some notes, I would not say they were in that box, but there were some notes left in my desk.

Q. What became of those? A. I don't know.

Q. Whose signatures were on them? A. I think Dr. Beattie Nesbitt's note was there if I remember right.

Q. How much would that be? A. I could not say exactly now; I think it was $10,000 or something like that.

Q. Was that something he borrowed from you or from the bank? A. No; I think something in connection with the Keeley Mine, I cannot recall now. I will have to refresh my memory by looking at some of the documents.

Q. Was there only the one note signed by him or more? A. It seemed to me there were two notes there, but Mr. Clarkson did not find anything. You were asking me about that the other day, and you puzzled me about it; I cannot say exactly what until I look into it more carefully.

Q. You have not been able to? A. No.

Q. Were there any one else's notes there? A. I could not say that just now; there might have been.

Q. George Wishart's note? A. There might have been.

Q. What was that in connection with? A. Blackmail, if you want to know the truth.

Q. I would like to know the truth about that? A. I am not prepared to-day just to go into that question. I want to think about it; I did not expect it.

Q. I did not expect it either; I thought we would have been able to get on with the other branch; I want to ask you in a general way about Wishart; who is George Wishart? A. He is a promoter in New York.

Q. An American? A. Yes.

Q. And how did you come in contact with him? A. I was crossing the Atlantic ocean on the "Lusitania," after making banking arrangements over there, and I met him on board ship.

Q. When did you have business relations with him first? A. After the Keeley Mine was offered to me.

Q. Who was it offered it? A. Dr. Beattie Nesbitt.

Q. What occurred between you and Nesbitt and Wishart? A. Really, I don't think it is fair for me to go into that when Dr. Nesbitt is on trial; of course if the Commissioner says I have to do it I will do it.

Q. It has nothing to do with his trial? A. I don't know what is coming up there and I do not like to go into that transaction to prejudice his case or influence the Judge or Jury; I don't think it is fair.

Q. I suppose you realize we have to go into the history of this Keeley Mine and the money that went into it, and I don't see how it is possible—— A. Can you not go into that without taking up those points so specifically with regard to Dr. Nesbitt? I can answer in regard to the investments of the bank and the Keeley Mine.

Q. The books show all that; I want to get your testimony on it? A. I will be glad to give you everything but I really don't think it is fair to hurt a man's case in any way; I don't know whether it will or not.

Q. I think you are unnecessarily sensitive; he is not indicted for anything in connection with the returns, the Keeley Mine does not come into it? A. Ask me the question and I will see.

Q. I am asking you what was the arrangement made when this was offered to you by Dr. Nesbitt? A. Dr. Nesbitt brought the proposition to me to buy this mine for $300,000; $50,000 was to be paid down, and $50,000 a month I think until it was paid.

Q. Had he an option? A. Yes, he had the option.

Q. In his own name? A. Yes.

Q. Was he president at that time? A. No, he was not president of the bank then; he had ceased to be president six months I should say.

Q. You saw the option I suppose in writing? A. Yes.

Q. And he was turning it over for just its face? A. It was not intended that he should turn it over to the bank; the intention was to organize a company and that the payments were to be made by the bank or by somebody else that we could get into the compnay.

Q. Were you to pay it individually or what was the proposition? A. The proposition was that we should float it; that is the common term I think.

Q. Who are "we"? A. Nesbitt and the Bank, put it that way, for a profit to the bank.

Q. The bank was to make a profit? A. Yes.

Q. And Nesbitt? A. Yes, and Nesbitt was to make a profit, certainly.

Q. Was he turning it over to the bank at a profit? A. No, he did not turn it over at that time at all; he held the option; the question was how the payments were to be made under that option, whether——

Q. Was he to turn it over—however, it was arranged so that he would make a profit out of the option? A. Yes, certainly, he intended to make a profit eventually.

Q. The point then was as to taking up the option and making the deposit? A. Yes, the payments.

Q. $50,000? A. That was the first payment.

Q. How did Wishart come in? A. Wishart had told me when I had made his acquaintance on board ship that he was a rich man, and he said to me if there was any proposition in Canada that he could handle at any time he would like to have a chance at it. He took me out and showed me his elegant residence outside of New York, which I thought was worth one hundred or one hundred and fifty thousand dollars and I came over here with the idea that he was a very desirable man to work with in case we should have any proper deal to put through, and after Nesbitt brought the option to me I went to New York to see him and he said he could make the first payment without any difficulty.

Q. Well? A. Then I came back and the matter was closed then. I agreed to make the payment of $50,000 if I remember right, and when the date came for

payment Wishart said he could only give a note, $25,000. Nesbitt and he agreed to put up half of it.

Q. I understood you to say you agreed to make the payment? A. To the people who owned the property, the original owners, the prospectors.

Q. When you say you agreed, do you mean the bank would put up the money? A. I spoke for the bank as General Manager, yes.

Q. They agreed to put it up, the Board did? A. No, I did not bring it before the Board at that time.

Q. Had you got Wishart to come in in writing? A. No, there was no writing at that time.

Q. Just verbal? A. Yes.

Q. He said he would pay the first payment? A. He said he would make the first payment; then when he arrived in Toronto to complete the first payment he had not any money. Dr. Nesbitt said he would put up $25,000 and Wishart would put up $25,000.

Q. That is what you think they had told you previously? A. Yes.

Q. Neither of them did so? A. No, but Dr. Nesbitt supplied me $25,000 of a deposit that enabled me to loan the money to a company that was formed.

Q. Had you got so far as to form a company? A. Not at that time, no.

Q. But there was to be a company formed? A. Yes.

Q. Who was to form the company? A. The company was to be formed of Dr. Nesbitt, George Wishart and myself.

Q. Wishart was to join with Nesbitt in making the first payment, was that it? A. Yes, that was the understanding.

Q. And you were to supply what? A. I suppose that I was to supply $25,000 as against the deposit that Nesbitt got for me.

Q. You did not do that? A. I supplied the whole $50,000.

Q. That is you supplied Wishart's? A. I supplied Wishart's and Nesbitt's both.

Q. What was your contribution to be in the three, were not you to come in on equal terms? A. When we formed a company the bank was to have one quarter for profit; Wishart was to have a quarter; Nesbitt was to have a quarter, and I personally was to have a quarter myself for the work that I was putting in it.

Q. The net result of the arrangement was that you found you had to put up $50,000, and you discounted Wishart's note? A. For $25,000.

Q. Did you discount Nesbitt's note? A. No, I did not.

MR. COMMISSIONER: He said something about a deposit.

MR. HODGINS: Nesbitt got a deposit, you say, which enabled you to do that? A. To lend the first $25,000 to the company that made the payment to the prospector of this Mine.

Q. The deposit was a legitimate deposit? A. Yes.

Q. Nothing to do with the Mine, had it? A. No.

Q. But you thought it came in through Nesbitt's influence? A. I thought so, yes.

Q. Therefore you were willing to lend him the money? A. Our Treasury was not out anything at that time as I thought the investment was a good one.

Q. Where you were out was in supplying the $25,000 for Wishart? A. In the end; more than that, I am sorry to say.

Q. He came here and he could only put up a note instead of the money? A. That was all.

Q. The bank put up that? A. Yes.

Q. No kind friend arranged any deposit which would put you in funds with regard to that? A. Not a cent.

Q. The first payment was made and was the company formed? A. The company was formed, yes.

Q. What was it called? A. The Keeley-Josie-Wood Mining Company; those were the three names of the three men who discovered the prospect.

Q. They ought to be immortalized? A. They should indeed.

Q. Were the four shares allotted in the way you speak of; quarter interests? A. Yes, they were.

Q. Held by whom for the bank? A. I, as General Manager in trust.

Q. And then held a quarter for yourself? A. I held a quarter in my own name, a quarter in my name in trust for the bank, a quarter for Wishart and a quarter for Nesbitt; that is my recollection of the matter as near as I can tell; there may have been a variation of some shares one way or the other.

Q. When the second payment came due what happened? A. No money; I had to put it up.

Q. Who had agreed to put up the second deposit? A. Wishart agreed to float the concern and supply all the money that was necessary, verbally.

Q. Had not you been a little suspicious when he came along with a note the first time? A. No, I was not.

Q. How long was the note? A. I am not sure but I think it was thirty or sixty days.

Q. Did not it come due just about September, the second payment came due? A. About that time, yes.

Q. When the second payment came due the company was formed with the quarter interest to you each? A. Yes.

Q Had the option turned over to the company? A. Yes.

Q. So that the company was liable to pay? A. Yes.

Q. The option had been accepted and had become a binding contract? A. Yes.

Q. Who made up the second payment? A. The Farmers Bank.

Q. Who defaulted? A. Everybody but the bank.

Q. That is you, Wishart—— A. I never agreed to put up anything, not myself personally; I did for the bank.

Q. You were to have a quarter interest? A. Yes.

Q. But you were not to pay for that personally? A. No.

Q. The bank was to pay for its quarter? A. No, the bank was paying nothing; the bank was supposed to get this money back with interest and a bonus of one-quarter of the stock for doing the business.

Q. That would be you, Nesbitt and Wishart? A. Yes.

Q. Were you three to put up the money? A. No, Wishart and Nesbitt were to find the money.

Q. You got your interest for nothing, the bank got it for putting up the money which it was to get back, and it was to get the quarter interest as additional profit? A. I kept the book and managed that end of it.

Q. Wishart and Nesbitt defaulted on the second occasion? A. Yes.

Q. Then did the bank put it up? A. Yes.

Q. What securities did you take then? A. Nothing.

Q. How did you come to make that second payment in that way if Wishart and Nesbitt would not put it up? A. Because I was in $50,000 and I had to go down with a loss of $50,000, and I thought the property was good, and I went on the second $50,000.

Q. Did Wishart come over here? A. Wishart was over here sometimes two and three times a week and I could not tell you just exactly.

Q. Was he displaying any interest in it? A. Yes, considerable interest in it.

Q. But not displaying any money? A. He had not any money.

Q. What conclusion did you come to when the second default was made? A. The second payment I was not quite sure whether he was a fakir or not, but when the third came along I was sure of it.

Q. You still had his note? A. No, I had to give up his note?

Q. Before the third payment came due? A. Yes, I think it was, I am not sure, but we had a re-organization.

Q. How did you come to give up his note? A. It was necessary to have a re-organization—I cannot tell you just at this moment—and he would not consent to it unless I gave up the note and released him.

Q. What re-organization, what does that mean? A. We formed a new company entirely and took over the old company.

Q. Was there a necessity for that? A. Yes, there was a necessity for it.

Q. What was it? A. To try and float the stock, to unload it on the suffering public and get from under, if you want to know the truth.

Q. But you might just as well unload the Keely-Josie-Wood Company? A. We could not do it at that time; Wishart thought it would sell then—not that I considered that it was wrong, because I considered the mine was rich then, and I consider it rich to-day, just as rich as it ever was.

Q. I am only trying to get at your reason at this juncture? A. I will tell you; it was one million dollars capital, and if I remember right Wishart and the rest of his—or some friends of his—thought the capital should be two and a half millions for the purpose of floating in Scotland; that is where the re-organization came in; and we formed a new company with a capital of two and a half millions, and we bought out the old company, amalgamating the debts and distributing the stock in the same proportion as we did originally.

Q. Wishart must have agreed? A. He agreed when I gave him up his note.

Q. You say he thought it was necessary to have it re-organized by making the capital two and a half millions? A. Yes.

Q. If he did, I do not understand why you say you had to give him his note? A. Because he would not consent to the change in the company.

Q. I thought he proposed it? A. I do not know whether he proposed it or not. It was a question at that time in my mind that something had to be done; I do not know whether he proposed it or the Doctor proposed it, or some of his friends proposed it; there was a whole lot of parasites there all the time.

Q. Parasites on whom? A. On whom! On the bank.

Q. I would like to know how you came to give up the note? A. I have just explained it to you; he refused to consent to the re-organization at that time without the surrender of his note and the bank becoming responsible for the entire loan.

Q. And you gave him back his note and gave him a quarter interest? A. Yes, I did; he and the doctor transferred a little further stock to the bank at that time I think.

Q. There must be some other explanation about that; I do not understand you giving him the same interest? A. I did not expect these questions, but I can explain it to you to the letter exactly, but I would want to refresh my memory.

Q. You want to go over the minute book? A. I would like to go over the minute book of the Keeley Mine and look at it; I know that the time the Wishart note came up it was a question of a block and the bank losing the money there and then, or going ahead.

Q. I would like to have you go over that? A. I can explain that thoroughly.

JAMES G. FITZGIBBON, Recalled:—

MR. HODGINS: Q. You were here and heard what Mr. Hunter said? A. Yes.

Q. He seemed to think that that book we showed him was not the book he saw when he came back from Ottawa, but that it was a book similar to that? A. Those are the only two books we ever had. (EXHIBIT 18 and 19).

Q. That big one with the yellow leaves (EXHIBIT 19) will you just look at that and tell me whether at the time the list was made out the left hand page in each case was the same as it was then? A. All the same.

Q. I mean up to the first payment? A. They were all the same. This book has never been altered except having additions made as time went on and new subscriptions came in after organization.

Q. The same book, the same pages? A. Yes.

Q. And same entry as the stock was paid up? A. Yes. Later on when we got our regular book going we abandoned this altogether (EXHIBIT 19) because we have our regular stock to post them in.

Q. At the time the list was made out at the time Mr. Hunter speaks of the only books that would relate to the stock would be these two, EXHIBITS 18 and 19? A. Yes. This is the book from which the list to the Government was made out. (EXHIBIT 18).

Q. I did not think of showing Mr. Hunter this EXHIBIT 18; that does not show any payments? A. No, but I will show you here; taking from this (EXHIBIT 19) that was the work I did, was to check up the total of the payments to date——

Q. In this book EXHIBIT 18 there is penciled under the printed heading "Witness" the date of the allotment and the amount paid up to that date? A. Yes.

Q. Does that go right through the book? A. Yes, that goes right——

Q. Would this be the book that Mr. Hunter saw? A. This is the book he saw (EXHIBIT 18).

Q. That does show then the payments made apparently up to that date? A. There was the total up to that date.

Q. Totalling $291,310, that is in your handwriting in EXHIBIT 18? A. Yes; from the simple fact that the Laidlaw shares were struck out before the end of December when we sent in our second statement; but the list was made up then alphabetically from our stock ledger—

Q. These pencil figures show what? A. They show that amount actually paid in and the amounts which were allocated from the Trusts & Guarantee Company loan on notes.

Q. One may say that this book, EXHIBIT 18, is the original document? A. That is the original document.

Q. Which afterwards went in to the Government? A. Yes.

Q. And shows the way it was done? A. Yes.

Q. Under whose directions were those pencil entries made? A. Mr. Travers instructed me to make out a list, find out how the thing stood, and that was the first work I did was to go over these amounts, checking the various payments, and I put them in pencil here for ready reference.

Q. Take this as a prominent example: W. J. Lindsay, 500 shares, you put $5,000 opposite him as paid? A. Yes.

Q. Which forms part of the total? A. Yes.

Q. How did you come to do that? A. Under instructions from Mr. Travers to allocate a portion of the loan on that.

MR. COMMISSIONER: He explained that before.

MR. HODGINS: We have been looking for this original and I was not aware—

MR. COMMISSIONER: The witness Travers showed that book to Hunter as he was leaving, at least I think I saw him showing it to him.

MR. HODGINS: I did not know that.

MR. TRAVERS: Yes, I noticed he was not giving his evidence from that book: if he had had that book he would have given his evidence differently.

Q. MR. HODGINS: Then this is in your handwriting, Exhibit 59? A. Yes.

Q. Is that the basis of the special return of May 1907? A. No, sir.

Q. Travers thought it was; what is it the basis of? A. This was just a calculation to make up to see what amounts had been spread on the notes; this was solely for our own office use.

Q. Was it not the basis of the return? A. It may have been in connection with that statement. This was got out probably for information for Mr. Travers just to know what had been done with the proceeds of the loan, but so far as I can see it is not the statement itself. There is no date to that; it was just a memorandum for office use; I do not know what it was for or just the occasion for it.

Q. Do you know anything about the payment of Dr. Nesbitt's stock? A. No, sir.

Q. Can you explain anything further as to the way in which the charges were made? A. No.

Q. Do you know about that $5,000 that was credited upon his stock? A. No, that was done in the Provisional Board book, part of it; the only ones I saw were payments made after the Bank was organized.

Q. We are told no separate account for the various shareholders in the Provisional books? A. No.

Q. How did you make out the book you have in front of you, Exhibit 19? A. This book was made up long before I went in; this was made out from time to time as the subscriptions came in.

Q. During the Provisional Directors' regime? A. Yes.

Q. Whose handwriting is that? A. The first part is typewritten with the name of Smith, who was the Secretary of the Provisional Board. He witnessed them as being genuine; and subsequently after Smith left the rest of the book was in Shaver's handwriting. He was the Transfer Clerk, in fact he was with the provisional directors for a few weeks before the Board was organized; how long I do not know.

Q. You came into the Bank on the 19th November? A. The 19th or 20th.

Q. Just two or three days before the return was sent in? A. Yes.

Q. Did you at any time yourself check over the expenses of the provisional directors? A. No, sir, I had nothing whatever to do with the provisional directors' books or accounts in any shape or form.

Q. Do you know anything about this $3,000 cheque which has been mentioned? A. All I know is that Mr. Travers instructed me to draw out a cheque after the Bank had been organized and just remarked " C " on the stub and sent it down to him. I signed all the official cheques after the Bank was organized.

MR. COMMISSIONER: Down where? A. Down stairs; I was in the Head Office, I had nothing to do with the Toronto Branch.

MR. HODGINS: You did it? A. Yes.

Q. Is that all you know about that? A. Yes.

Q. You did not see that it came back or was paid? A. Of course it naturally came back when it was paid, but it was changed up to Mr. Travers either to his commission account or—

Q. After the bank was organized? A. Yes.

Q. What time? A. I could not say; I could tell by the stubs of the cheque book.

Q. Is that it? A. No, it was a yellow stub book.

MR. TRAVERS: You are wrong, that is the book.

MR. HODGINS: Just look at this stub book and see.

MR. TRAVERS: Have you not the cheque?

MR. HODGINS: Not with me.

MR. TRAVERS: I have seen it two or three times.

WITNESS: It is not there, not the cheque I refer to.

Q. Which of these books will tell you the date of that cheque? A. I do not know.

Q. You speak of the $3,000 cheque charged to Travers after the organization? A. Well, I could not say whether it was charged to organization expenses or to Travers' commission account. I might identify it if I knew the date of it, but I am pretty satisfied in my own mind that it was after the first January.

Q. What bank was it drawn on? A. Our own bank.

Q. What was it? A. The Farmers Bank.

Q. After you started business? A. Yes. It was cashed downstairs or used downstairs and charged up to the Head Office and came to us in the ordinary routine. I know, I remember putting the "C" because I drew up the cheque myself. Those cheques are all drawn out by Mr. Shaver.

Q. What does "C" mean? A. I do not know, I was just told to put "C" on the stub to identify it; that is the only way that I know it is the cheque that Mr. Travers referred to, because he said he had marked it "C". I was speaking to Mr. Travers, and I want to correct a statement he made in his evidence as published in the papers, and he tells me to-day that he saw the statement in the newspaper; he said that I had sworn that I had taken exception to his making the loan with the Trusts & Guarantee Company, which was an impossibility, seeing that I did not join the service till a month after the loan was made. I do not think in any of the evidence that I have ever given you will find I made such a statement. What I did say was that I raised the question as to the distributing of proceeds of the loan when I went into the bank, and it was only after the assurance of Mr. Hunter and Mr. Travers that they had taken advice, and I took outside advice, that we were justified in turning the notes into cash and applying the proceeds on the stock of those parties who had given their notes, but I certainly did not swear that I had taken exception to the loan.

MR. COMMISSIONER: I do not remember any such statement; it was Mr. Travers mentioned it to contradict it? A. I saw that Mr. Travers had made the contradiction and I happened to read it in the newspaper.

MR. HODGINS: You did not protest against him raising the loan? A. I could not, I did not know anything about it; I was not there.

MR. COMMISSIONER: It was a mistake in the newspaper report if you saw it there; it will be correct in the evidence here. It is right to make that explanation.

The Commission adjourned at 4 p.m. to 11 a.m. to-morrow, May 22nd, 1912.

Toronto, May 22nd, 1912.

The Commission continued its Sittings at Osgoode Hall, May 22nd, at 11 a.m.

PRESENT:

HON. SIR WILLIAM MEREDITH, Commissioner.
FRANK E. HODGINS, K.C. and JOHN THOMPSON, K.C., representing the Dominion Government.
I. F. HELLMUTH, K.C., representing the Trusts & Guarantee Company.

W. J. LINDSAY, Recalled:—

MR. HODGINS: Q. Have you applied to the bank to get those cheques? A. I have.

Q. Have you got them? A. I have not.

Q. Why not? A. They have been unable to locate them.

Q. Who did you apply to? A. The General Ledger-keeper.

Q. Of the Traders Bank? A. Yes.

MR. COMMISSIONER: I think you had better subpœna somebody at the Bank, Mr. Hodgins.

MR. HODGINS: Very well.

Q. Have you found out where that $3,000 was deposited that you claim you paid to your wife? A. No, I have not.

Q. You were to find that out? A. No, you did not ask me.

Q. I asked you yesterday about that $3,000 and you could not tell me about it definitely, and I asked you to find out and you said you would? A. Well, I will go up to the Bank of Montreal and find out if possible.

Q. I would like to find out what became of that $3,000 because the amount interests me? A. On the matter of the $5,000, since yesterday in thinking the matter over the ex-Manager, General Manager, will be able to tell you if he used that to pay for bonds in a terminal company down in Pittsburgh or in an electric road somewhere between New York and Rochester, down in New York State. It just occurs to me that that was the urgency of that $5,000.

Q. You thought that since yesterday? A. It just came to mind.

Q. Did you learn that from Mr. Travers? A. I learned that from Mr. Travers at the time.

Q. And he told you that is what he was going to use it for? A. That is my memory of it. There was something said, and I think that is what the urgency of the money was for.

Q. You did not know whether it was either in Pittsburgh or New York? A. Both were discussed, because he had asked me to put some money into the same thing and I said No, I know nothing of it.

Q. And he was in such a hurry that you had to bring it back in bills? A. It was not a matter of such hurry, he wanted the money, and I do not know, he asked me to bring him the money—

Q. Will you tell me who you paid to help this organization of the bank through out of your commissions? A. I paid no one.

Q. Notwitstanding all these influential friends of yours you paid no one? A. No one, nor did not approach any influential friend to help anything through.

Q. Did not hear of any payments made for services rendered in getting the certificate through? A. No, sir.

Q. Can throw no light on any such payment? A. No, sir, I do not know; that $3,000, I think that doubtful cheque that was supposed to have gone to some of his personal friends was possibly used in the horse business here, a partnership that he had with Count Gregory.

Q. Do you know about these things? A. I do not know, it was newspaper talk.

Q. I do not ask you about newspaper talk, I want to know what you know yourself? A. Nothing any further than he had a string of horses up here.

Q. You need not draw a herring across the trail because nobody has suggested that, and if it is only newspaper talk it is not interesting? A. He had a string of horses about that time.

Q. If you will account for what you did with your $5,000 it will be quite sufficient? A. You have the ledger account and those papers that I got from the Traders Bank about the time and some time during 1908 for the purpose of the suit against Travers and the Bank.

Q. I have got what? A. You have a copy of that.

Q. I am asking you to find out what you did with the $3,000; the $3,000 appears to be paid to somebody, I want you to account for it in some way that I can verify it? A. That was simply a transfer to another account; I will find it for you.

Q. I want you to bring me the evidence of that? A. I will find it for you.

W. R. TRAVERS, Recalled:—

MR. HODGINS: I asked you yesterday about the deposits in the beginning of 1907 which were made and out of which apparently that so-called loan was paid back by April 8th, 1907; you began business on the 2nd January, 1907? A. We opened our doors for business then, although we were doing a little business a few days before that.

Q. At that time what had you in actual money to begin with? A. About $145,000—$150,000, $5,000 left in Ottawa.

Q. For the note circulation? A. Yes.

Q. And you would have then about $145,000? A. In cash.

Q. But out of that there had been several payments made; would not it have been nearer $75,000. Just look at that Traders Bank book (Exhibit 41) you see the end of December, 1906, shows only a small balance in the Traders of $264, but I think the $74,000 was chequed out into the Union Bank? A. It would be difficult to verify it from this unless you made an addition of the cheques at each date, but the book of the bank ought to show every dollar as it stood then; they had office books.

Q. I have no doubt they will; but I should think you would have some idea as to what you had in cash when you opened your doors? A. I brought back $245,000; that would be $145,000 and the $100,000 that I had borrowed; then those cheques were drawn for the $80,000.

Q. And then this $10,000 cheque and $5,000? A. There were several cheques drawn; I could not say exactly what the aggregate was.

Q. What is that $50,000 towards the end there? A. Oh, I know what that is now I think; that was a transfer for a deposit receipt with the bank.

Q. I see that $50,000 was payable to the Union Bank of Canada, and so was the $74,579? A. Yes, that is the transfer of the account from one bank to the other.

Q. That would make it about $125,000? A. $125,000 and $10,000 would be $135,000.

Q. But that had been paid out; I am speaking of what you had in actual cash to begin business; it would look to me as if you had about $125,000? A. Deducting the amount that was borrowed I should say I had more than that; we had borrowed money at our credit representing cash at that time.

Q. That is a moot point; I think it was paid off and the cheques went through the bank and paid it off? A. There is no use denying the fact that I thought it was paid off too; it was a reversion of entries.

Q. I want to ask you to be more definite than that; it would be about $125,000? A. I think it was more than that; there were some payments came in on the stock in the meantime.

MR. COMMISSIONER: He says he thinks it was about $145,000? A. Yes, I should say so.

MR. HODGINS: When did you begin dealing again with the Trusts & Guarantee Company in the way of either deposits with them or money received from them by way of deposit? A. That ledger showed it here yesterday, 7th January, we made the first deposit with them.

Q. What was the amount of that? A. $3,655.

Q. We went over that yesterday? A. Yes.

Q. That is the deposit which began the account which ended on the 8th April, and was used to apparently pay off this so-called loan? A. That account was started for the purpose of paying off that loan; that is my recollection.

Q. That ends on the 8th April? A. Yes.

Q. When did you begin again to deal with them; either depositing with them or they depositing with you? A. I could not give you the exact date.

Q. Was it not the beginning of the following year? A. Some time elapsed: this ledger apparently has been transferred into another one; we will have to have that ledger.

Q. What do you call that ledger? A. The Toronto Branch general ledger.

Q. You had been doing a general banking business during 1907 A. Yes.

Q. Had you had any need of money or did you find the cash capital you had sufficient to do business during that year? A. Yes, all the business that was offered us was not very much, we were able to take care of it.

Q. No stringency at all? A. No, I had money when the other banks were short.

Q. During 1907? A. Yes.

MR. COMMISSIONER: Have you that other ledger? A. I heard them say one day when we were talking about that that the ledger was up in the Court House.

MR. HODGINS: Mr. Clarkson says he has never been able to get that since it was produced in connection with one of the trials, that it has apparently been mislaid in somebody's office.

MR. COMMISSIONER: Where did you say you saw it? A. I overheard Detective Guthrie saying it was in some office there, that he had seen it.

Q. At the City Hall? A. Yes.

MR. G. T. CLARKSON: It turned out to be the ledger of another bank.

MR. COMMISSIONER: To whom did Mr. Clarkson give it?

MR. G. T. CLARKSON: The Crown Officers got it.

MR. COMMISSIONER: What particular Crown Officer?

MR. CLARKSON: I cannot tell you that; I can ascertain that.

MR. COMMISSIONER: I suppose you got a receipt for it?

MR. G. T. CLARKSON: No, I do not think so. I think it was at the inception when they came down and got them; they were used at the trials and this ledger was seen at the trial.

MR. HODGINS: I think if you would ask Mr. Clarkson or direct Mr. Clarkson to make enquiries and get that probably it would be done. It is so difficult to find anybody who is responsible that will take the trouble to look for it.

MR. COMMISSIONER: It would be in the hands of Mr. Corley, would it not?

MR. G. T. CLARKSON: Or the County Officials; it was seen on one of the trials; I think the trial of Mr. Warren before the County Judge, Judge Denton, I understand. We have got back all the rest of the books but not that ledger and nobody seems to know anything about it. The only points it will deal with particularly are those concerning circulation.

MR. HODGINS: Would it assist you at all if you were told it was wanted for this Inquiry?

MR. CLARKSON: I think it would; I have done all I can but there does not seem to be any great activity to find it.

MR. COMMISSIONER: Who would be the Clerk at the trial before the County Judge?

MR. HODGINS: Some one from the office of the Clerk of the Peace, Mr. Irwin.

MR. COMMISSIONER: I think you had better write Mr. Irwin a letter.

MR. G. T. CLARKSON: It is the general ledger of the Toronto branch for 1909 and 1910?

MR. HODGINS: You made a loan to the Trusts Company in December, 1907? A. Yes, I remember making a loan.

Q. That would be the first loan, resumption of business with them, would it not, after April, 1907? A. It may have been, I could not say for certain; I know there was a long time elapsed between paying off the loan.

Q. Is it because you cannot find the ledger that you say that? A. I know those are the facts but I cannot give you the exact time.

Q. Is that because you cannot find that ledger, you cannot see that ledger? A. No, I do not need the ledger to remember that.

Q. To get the date I mean? A. Yes.

Q. Is not it there? A. December 16th, $25,000.

Q. That would be the first, would it not, you had to do with the Trusts & Guarantee Company afterwards? A. I presume it was, I know it was a long time.

Q. Apparently on December 16th, 1907, there is a deposit marked "Deposit $25,000"; what does that indicate, is that a deposit in your bank put to their credit? A. Put to their credit, yes.

Q. And interest is credited up, is it? A. Yes, from time to time.

Q. Does that mean that it is charged to them? How does it appear in your entry there? A. We credit them with interest.

Q. How do you explain that if you made the loan to them, how are you crediting them with interest? A. They left the money with us on deposit, to be drawn out as they required it, my recollection is.

Q. What security did you get? A. I had a letter from them giving me an interest in some Canada Central Railway Bonds that they were floating at that time.

Q. Giving you an interest in it? A. Yes, in proportion to the amount of our loan of $25,000; I have forgotten the exact amount of the bonds.

Q. You were advancing the money to buy those bonds and you got an interest in it for the bank? A. Yes.

Q. Did you ever realize anything out of that interest? A. No.

Q. Why not? A. I do not think it turned out as profitable as they expected.

Q. They did not put any of this money into it? A. I could not tell you what they put in; I only know what I let them have.

Q. Did they make use of it—it does not look like it there? A. Yes, I am quite sure they drew the money out.

Q. On December 31st there was a balance to their credit of $25,000? A. Yes.

Q. It had not been used up to that time; where is the continuation of that account, is it not here in this other ledger, page 62? A. I would not think so; there is no reference made here to it; possibly it is.

Q. What does "44" on this ledger refer to? A. I do not know.

Q. You understand these books, don't you? A. Yes, but I cannot explain what is not here to give me any information; that to me would look like a new deposit.

Q. That is January 29th, 1909, you think there would be a new deposit by then? A. That was in our Savings Bank Department.

Q. That would indicate, if you had no further explanation, that on December 31st they had a balance of $25,000 standing to their credit, and on January 28th they had another $25,000, making $50,000 in all? A. That is the way it appears to me; it does not seem to me probable, but it may be so; we had the voucher for the closing out of that, and it must be on file.

Q. It shows a balance, and it must be carried somewhere? A. It is either chequed out or carried over in here, but the records here do not show it.—W. R. Travers.

Q. That is the two dates do not tally? A. They do not tally.

Q. Have you no other ledger that that would appear in; would that first $25,000 appear in the missing ledger? A. It was transferred over to the other ledger; the ledger that is missing will account for this $25,000; this one looks like a new transaction entirely. I know they put some special estate money in with me at that time.

Q. What estate was it, was it the Hamilton Estate? A. Yes.

Q. They deposited money with you for the Hamilton estate, and how long did that remain with you? A. I could not say, I should think a year probably.

Q. Was it increasing? A. No, I think it remained stationary.

Q. How much was it? A. I think about $50,000.

Q. On that deposit did you allow interest? A. Yes, 4%.

Q. Was it credited up and drawn? A. Credited to the account, my recollection is.

Q. Did they draw on that Hamilton deposit account with you at all? A. No, not till they had closed out the estate, a long time after it was made.

Q. That was two or three years? A. A couple of years, anyway.

Q. Was there any of it on deposit at the time of the failure? A. I could not say if it was the Hamilton estate; we had a deposit before the failure with them of about $120,000.

Q. That is when you failed their credit balance with you was about $120,000? A. Before the failure.

Q. And was it at the failure? A. It had been transferred over into a loan; the deposit had been wiped out and it had been consolidated into a loan.

Q. At the time of the failure it was in the shape of a loan? A. Yes.

Q. Did that 4% arrangement continue right up till it was transferred over into a loan? A. My recollection is that it did.

Q. And the loan bore what? A. 6%.

Q. It was made into a loan by them to the bank bearing 6% interest? A. Yes.

Q. Was there any other account opened by them by way of deposit in the bank other than the Hamilton estate? A. Yes, they had a current account with us as well.

Q. What was that called, Savings Bank? A. No, just an ordinary current account, chequing account.

Q. Was not there a savings account; was it not so called? A. There may be, but my recollection is it was just a current account to cheque against.

Q. Was that fairly stationary too? A. No, we would have to refer to the books for that; I think that was active.

Q. Aggregating much in the course of a year? A. I could not tell you; those books would not come under my eye from day to day; I saw the totals once a month; I could not tell you what was moving in them.

Q. You began to deposit your own circulation with the Trusts & Guarantee Company? A. Yes.

Q. How early did that begin? A. I think it was in the early part of 1908; in my examination before Judge Denton in that suit all those facts were brought out, verified by the books.

Q. I will verify these by the books, but I want to get the general course of dealing from you; if it began about the beginning of 1908 it would be just about the same time as they made that $25,000 deposit? A. Yes, I should say so.

Q. Just look at that page, 62, does that deposit of $25,000 bear date January, 1908 or 1909? A. 1908.

Q. Mr. Clarkson thinks that those books show differently from what you say?

MR. COMMISSIONER: I do not understand when the bank was lending the Trusts & Guarantee Company $25,000 where that transaction appears; because this is a credit to them; they apparently handed the money back to be drawn out from the same bank or to stay in the Savings Bank; where is the debit to them of the $25,000; you lent them $25,000? A. Yes, that was the first transaction.

Q. Where is the debit of that to them? A. The debit appears in this book, as I understand it.

Q. Is not that a credit to them of the money, that is what I understood you to say? A. When we made the loan we had to credit their account with the $25,000; we charged our Loan Account with $25,000 and credited their account with $25,000 to draw against.

Q. Surely if you loaned them $25,000 they owed it to you? A. They owed it to us in the shape of a note.

Q. You had a note from them? A. Yes.

Q. And that appears in another account? A. Yes, that is where I am confused here.

Q. What became of that note? A. That note was paid off in due course.

Q. Was it just one wiped off the other; just a cross entry? A. No, the proceeds of the note went to their credit; they chequed that out, if I remember right, in $5,000 items.

Q. Went into that account or into the current account? A. It went apparently in this account.

Q. There is no chequing out that, as I understood it; it all remained until the end.

MR. HODGINS: That remained to the 31st December, 1907, and then Mr. Travers was unable to say just what became of that owing to the other ledger being missing.

MR. COMMISSIONER: How did they pay the note? A. I think they paid it by a cheque on one of their own accounts.

MR. HODGINS: Mr. Clarkson tells me that it was transferred and carried as a Savings Bank deposit afterwards? A. This book would not carry that out.

Q. I am not speaking of that, that is in 1909, that page 62; I am speaking now of 1908; he says that during 1908 it was carried in the Savings Bank Account.

MR. COMMISSIONER: Just as it was in 1907; that, as I understand, the book evidently is the Savings Bank? A. There was some change of accounts; it went out of one account into the other; I could not say what it was without the book.

MR. HODGINS: I am instructed it remained there till January, 1909; would that be right, according to your recollection? A. Yes, I would say so.

Q. That was separate and distinct from the Hamilton deposit? A. Yes, that was a separate transaction.

Q. And I find that on the end of January, 1909, that the Hamilton deposit was $25,000 and the Savings was $25,000, making a total of $50,000? A. Yes, I should think that was about right.

Q. You began depositing circulation early in 1908? A. That is what I said.

Q. To what extent? A. $1,000 a day.

Q. Kept up all through the year? A. Yes.

Q. Sent it regularly? A. Every morning sent down $1,000 to go to our credit there.

Q. There would be a total, according to these documents, on the 30th January, 1909, of $33,500 of circulation that had been sent down: on the Hamilton and on the Savings you were paying 4%? A. Yes, that is my recollection.

Q. What were they paying you on the circulation? A. They paid us 3% for a while, I don't know how long, and then the interest ceased.

Q. You had some arrangement with the company when you began depositing the circulation? A. Yes.

Q. Will any of the books show a payment of interest on circulation? A. Yes, the bank account with the Trusts Company will show the interest that we paid them.

Q. How long would it have borne interest? A. I could not say exactly, it must have been a year.

Q. MR. COMMISSIONER: Interest that you paid them? A. No, interest they paid us; they credited our account with interest.

MR. HODGINS: With 3%? A. Yes.

Q. And you were paying 4% on your deposit. Mr. Clarkson thinks you paid 3 on one and 4 on the savings? A. Yes, I think that is right; I thought it was 4 on each one; the chequing account would be 3 and the savings account 4.

Q. Is your recollection that you got interest on deposits of circulation from the beginning for a year or till when you commenced to make what is called the Special Circulation Deposit? A. I could not answer that; the books will have to show that.

Q. You can tell us who you made the arrangement with? A. I made the arrangement with Mr. Warren.

Q. Regarding the deposits of circulation? A. Yes.

Q. They had a deposit with you; what did you deposit your circulation with them for? A. For the purpose of getting it out; they were paying out money over their counter every day and it was an advantage for us to use our bills.

Q. Why did you not pay it out yourself? A. We had not the chance; we had not the customers to pay it out to; you cannot give it away.

Q. You cannot? A. I mean you cannot shovel it out without something to return for it.

Q. You could not have been doing a very large business? A. We were not doing a very large business, no.

Q. During 1908; you made up your mind you would get circulation out anyway in the beginning of 1908? A. Yes.

Q. Just tell us what made you introduce the matter to Mr. Warren, because it is a little unusual? A. Not a bit; it is a very general thing all over the country; formerly they did it through private bankers.

Q. Depositing circulation? A. Of having somebody put out your circulation for you.

Q. Did they do that in the bank you were connected with? A. Yes.

Q. Whose certificate you hold? A. Yes; they have their circulation paid out by other banks sometimes and by private bankers.

Q. I suppose you will agree with me that unless you get interest on it it would be no benefit to you? A. Yes, it would; the bills would be worth 5% interest to the bank all the time they are out.

Q. Tell us what the arrangement was with Mr. Warren? A. The arrangement with Mr. Warren was that in order to assist me in getting the bank circulation out that he would pay out over his counter, for cheques drawn upon his institution and for which the money would remain at our credit, that we would not draw on him for that money, he would allow us 3% on it; I think it was 3%, I am not quite sure; it might have been 2½%.

Q. He would allow you whatever you put in 3½ on, whatever you put in as circulation, irrespective of whether he paid it out or not? A. Yes.

Q. Is that the arrangement? A. Yes, that was the arrangement.

Q. That if you deposited $1,000 a day? A. He passed it to our credit the same as if it was gold went in there.

Q. That would be in round numbers $25,000 a month; you would be getting 3% interest on that $25,000? A. Yes, that is my recollection.

Q. There is no trace of interest on it in the bank book; did you say it began with interest being paid upon it? A. Yes, that is my recollection.

Q. Why was the payment of interest discontinued? A. It was discontinued, my recollection is, after about a year. Mr. Warren thought that the accommodation that he was giving us was sufficient without paying interest.

Q. What accommodation was he giving you? A. When we were short in the Clearing House for gold he would give us his cheque on the Bank of Montreal and let us get gold for it.

Q. For nothing? A. Yes.

Q. Just go down and ask him for a cheque and he would give you a cheque? A. Yes, he gave me a cheque several times.

Q. Irrespective of the state of the accounts? A. No, in respect to our balance there.

Q. Your balance of circulation? A. It was circulation we deposited, yes; but that was cash; we had to redeem the circulation.

Q. I am asking you whether you meant it was in addition to your circulation deposit? A. For deposit circulation and otherwise.

Q. Because you know they had a deposit with you, very large sums? A. Yes.

Q. And if you set one off against the other there would not be much balance to your credit? A. At times like that when we needed money one was not set off against the other.

Q. It was, however, arranged that they were to be kept pretty well even? A. That was the understanding without any arrangement.

Q. That is, that they would deposit with you this Savings Bank and the Hamilton estate and you would keep them supplied with circulation about to balance it? A. We would keep our balance up with them about the same figure as near as possible.

Q. And you would pay 4% and 3% on what you owed them, and they would pay 3 on what they owed you in the way of circulation? A. Yes, that is my recollection.

Q. In other words, this circulation was treated as a debt from them to you? A. Circulation was treated as a deposit the same as any other person would go and make a deposit.

Q. A debt to you? A. Yes.

Q. Could you get it at any time? A. Yes, we could draw any time, although there was an understanding between Mr. Warren and myself that we would not draw suddenly on them for it.

Q. You say it was a benefit to you? A. Yes.

Q. What benefit would it be, outside of whatever interest you got from it? A. The benefit was as long as those bills were in the pockets of the people it was worth 5% to the bank.

Q. I would like to understand why? A. Simply because they were free deposits; circulation of the bank means free deposits, it costs us nothing except the printing of them.

Q. If you give it to the Trusts Company? A. They paid out the circulation to the people over the counter.

Q. You gave them to the Trusts Company and they paid you 3%, they would reap all the benefit of the circulation? It would be the same as any person else depositing with them, they would allow their regular customers 3% on their deposits; ours was no different; we were depositing cash with them.

Q. And you were getting interest on your deposits? A. We were.

Q. You cannot pretend you got any benefit from the circulation, you transferred that benefit to them? A. I certainly did get benefit; no banker can deny the fact that his circulation is a valuable asset to him, valuable profit.

Q. If he issues it? A. We did issue it.

Q. Either for a loan or in case of some deposit in the bank; but you would not for a moment say if a banker took circulation and gave it to somebody who would then pay his own debts with it that that would be any benefit to the bank? A. It certainly would; they paid it out for us and left the money at our credit, and that credit showed in our statements as cash reserve on hand.

Q. That is not benefit from circulation? A. Yes, it is.

Q. It is benefit from having put something into the bank? A. When they paid this circulation over the counter it was a profit to the bank.

Q. I fail to see it? A. Because you do not understand the business. If you get a note in your pocket of $1,000 for which you pay no interest on it, you are making money on it, are you not?

Q. I thought they were paying you interest for this? A. Yes.

MR. COMMISIONER: But you see he used paper not bearing any interest, he used it as money? A. Yes.

MR. HODGINS: He did not use it as money.

MR. COMMISSIONER: Yes, he deposited it as cash with the bank; they took it as cash, and that was non-interest bearing paper.

MR. HODGINS: Eliminate the question of interest on that, what possible benefit does it do to the bank to deposit its circulation with anybody? I quite understand if I had $1,000 to my credit, and get circulation from the bank and use that around that is benefit to the bank; but it is no benefit to me if you give it to me and I do not owe you anything? A. If you take a thousand dollars of bank bills and keep them in your pocket, I have a thousand dollars to loan to somebody at 6%.

Q. Why? A. I have that thousand dollars.

Q. What thousand—the thousand dollars that you have given me? A. Yes.

Q. Not unless I owe it to you, if I have given you a note for it? A. I got a note from the Trusts Company in the shape of a pass book.

MR. COMMISSIONER: This is academic; apparently you cannot convince him.

MR. HODGINS: I fail to see how you can use your circulation handed to somebody else to pay their debts with and pretend that the bank was getting the benefit of it by circulation.

MR. COMMISSIONER: It seems to me very plain, as it seems to the witness? A. It is hard to explain these things to a man who does not understand banking.

MR. HODGINS: You are the man who understood banking and look where the bank landed? A. It is a pity I had not had you for a solicitor.

Q. I do not find that other banks in good standing give their circulation to other people to pay their debts with? A. They certainly do not give it away; but, take a private bank, they will give the bank a note for ten thousand dollars and they will take the bank's circulation out and pay it over the counter to their customers, and all the time while that circulation is not called upon, while the bank is not called upon to reduce its reserve by paying it back or clearing it, it is worth 5%.

Q. You had no circulation from the Trusts & Guarantee Company? A. I certainly did; I got a bank deposit.

Q. That is the benefit you are speaking of, not the benefit of circulation? A. And the benefit of circulation.

Q. I see benefit in one way? A. We got two benefits from it; it was all one sided as far as we were concerned.

Q. Let us take a concrete case, because I have not been able to understand this method of banking; take the case of a thousand dollars, you deposit that circulation of a thousand dollars with them? A. Yes.

Q. What benefit, apart from their circulating, did you get from that? A. I will tell you in a few words; they place that thousand dollars to my credit, which is equal to a thousand dollars in gold, if I needed it.

Q. Why? A. Because I could draw upon them for it if I needed it.

Q. That is you could get it back?

MR. COMMISSIONER: Get the money.

MR. HODGINS: Yes? A. I could then take one thousand dollars out of my gold reserve and loan it to you if you came in; and if I had not that thousand dollars down there I could not do it.

Q. Why? A. Because good banking you are supposed to keep a certain amount of cash on hand, and I would not wish to deplete the amount; you might

come in for a loan and I cannot give you money; we cannot go any lower; but if I had one thousand dollars deposit in circulation down there if they would pay me it I could reduce my reserve to the extent of those deposits.

Q. You mean you had a bank book showing you had a thousand dollars on deposit there, and you could use it in a bank statement? A. Yes, I could use it, because I could draw it any time I wanted.

MR. COMMISSIONER: Not in the bank statement, he could use it in money.

MR. HODGINS: I think it is playing upon words.

MR. COMMISSIONER: You could draw a cheque upon it? A. Do you mean to say if you have a thousand dollars in your bank book it is not worth anything to you?

MR. HODGINS: If he has had a thousand dollars on deposit he can get that back from the Trusts & Guarantee Company.

MR. COMMISSIONER: He does not get back circulation, he gets money? A. No, I get cash.

MR. HODGINS: Was the arrangement that you were to get back money? A. Whenever I needed it.

Q. You were to get money instead of circulation? A. Actually get gold from the Bank of Montreal for it.

Q. You will agree with me this far that the Trusts & Guarantee Company might have kept that in their vaults and not circulated, and you would have had that benefit? A. Just the same.

Q. Then what benefit did you get by their circulating? A. Because I had not to redeem it until it reached the Clearing House, and as long as it was so it was a free deposit to me.

Q. If they had not circulated at all? A. Just the same we would have the money there to draw if they did not pay it out, it made no difference to us whether it was in their pocket or yours.

Q. If they did not circulate it you gained no benefit in that way? A. It made no difference to us.

Q. It made no difference whether they circulated it or not? A. No.

Q. Would it not come back if they circulated it? A. Yes, we would have to meet it through the Clearing House.

Q. If they did not circulate it—you got no benefit by their circulating it—? A. Yes.

Q. What benefit did you get? A. Advertised the bank for one thing, kept our bills circulating around. It would be better for us if they had locked it up in the vault.

Q. I do not see how the getting of your circulation out was a benefit to the bank? A. It was a benefit to the bank; it did not make any difference whether it was in their vault or in your pocket.

MR. COMMISSIONER: It was to their interest to get it out.

MR. HODGINS: Whose interest

MR. COMMISSIONER: The Trusts & Guarantee Company.

MR. HODGINS: It was not to the Bank's interest to get it out A. Yes.

Q. We will have to leave it that way; I still think I am right? A. You will have to argue stronger than that to change me.

Q. Did you pay it out? A. They used to pay it out regularly every day as far as I know.

Q. It used to keep coming back to you? A. A certain amount of it; the life of a bill is five weeks.

Q. You had to pay it? A. Through the Clearing House.

Q. And still the amount remained to your credit that you had deposited? A. If we had the funds on hand we would not disturb that account, if we had not we would go down to them and get a cheque on the Bank of Montreal and get some gold.

Q. Did you always do that, get gold? A. The same thing.

Q. Or get their cheque? A. Just the same thing.

Q. Will you say you did that continuously? A. We frequently did it.

Q. What was the usual course, to get back circulation? A. No, we never took the circulation back.

Q. What did you get then? A. I told you, I cannot make it any plainer; I got a cheque on the Bank of Montreal, which was gold.

Q. That was the invariable course? A. Always when they paid us the money they gave us a cheque on the Bank of Montreal.

Q. You never got circulation? A. Never got circulation back from them.

Q. At any time? A. Not that I remember, never got a dollar's worth back.

Q. Do you still say that the interest ceased upon the deposit of circulation about the end of the year? A. I do not know; you will have to look at the books.

Q. About the end of the year? A. It ceased at some time; the books will speak for themselves.

Q. From that time on you got no interest on the circulation? A. I do not remember.

Q. But you still paid interest on the deposit? A. I think so.

Q. There is no doubt about that? A. The books will speak for themselves. I cannot remember those dates.

Q. The account went on in 1909, went on during 1909 and 1910, didn't it? A. I believe it went on up to shortly before the bank failed.

Q. Then you would be paying interest on the total amount of the Hamilton Estate and the Savings? A. Yes.

Q. If the accounts were set off against one another the balance would be comparatively small, would it not? A. That is my recollection, yes.

Q. Why was the interest discounted on the circulation? A. I explained that to you a little while ago.

Q. Would you mind giving it to me again? A. I told you Mr. Warren thought it was one sided, and I did too, and we stopped it.

Q. What was one sided? A. Paying us interest on the deposit, and paying out our circulation made it one sided.

Q. Was not that a benefit to the Trusts & Guarantee Company to pay out your circulation? A. No. What benefit to them? They could pay out Bank of Montreal bills.

Q. Was it a benefit to them? A. Not to have our circulation, not a dollar except for the deposit at the credit.

Q. They had this circulation deposited by you at regular intervals, and they could use that to pay their own debts.

Q. And they thought that benefit was not worth paying you interest upon? A. Yes.

Q. Do you say so far as the books are concerned throughout it would show a balance in the Savings and in the Hamilton Estate and a debt in the circulation accounts? A. I suppose the books will speak for themselves.

Q. There was no withdrawal from the circulation account was there? A. I do not remember; the books will speak for themselves; I think we did draw practically as I said before, when we were short we drew on them and they never made any objection.

Q. That was by sending a cheque on the Trusts & Guarantee Company, and they would give you a cheque on the Bank of Montreal? A. Yes.

Q. In those cases they would be charged against the circulation account? A. Yes, that is what I recollect.

Q. The interest would amount to a very large sum on the daily balance if the total in circulation account was set off against the deposits they had with you; you realized that, did not you? A. I did not quite catch what you said.

Q. The interest on the daily balance as between the two accounts would amount to a very large rate? A. It would amount to a certain amount of money, the average balance there.

Q. The average would be three and a half per cent., and on the total in the Savings and Hamilton Estate it ran up something like at one time to over two hundred thousand dollars; whereas the circulation account ran up to one hundred and twenty thousand; there is one case they ran up to over two hundred and eighteen thousand dollars; what was the object of keeping that up all the time; there must have come a time in the history of the bank when you had business enough to do it if you were doing a legitimate business, to want all your circulation? No, we were not; we were falling behind.

Q. Was the reason that the cash had been so depleted in one way or another by investments that the bank had made? A. Yes.

Q. Such as the Keeley mine, and others? A. Yes.

Q. When did that state of affairs intervene and make it necessary to continue this deposit of circulation? A. During the last year of the bank's existence, more particularly, than otherwise.

Q. That would be 1910? A. Yes.

Q. I understood from the evidence given on some of the other occasions that the Trusts & Guarantee Company made objections from time to time to giving you cheques when you sent down for money on the ground that the two accounts, their deposits and your circulation deposit with them, were to be kept about even, and that they did not want to part with the money, and that you had to go down several times and straighten it out with Mr. Warren? A. Yes, I had to go down several times to get a cheque for the money.

Q. And put it on personal grounds with him owing to the understanding? A. No, I do not know that that was exactly put that way. Mr. Warren would want to know why we were drawing so freely; usually people carrying deposits with other people want to have some warning before they are drawn out, and we would drop on him suddenly and one of his officers would object, and as soon as I would hear of the objection I would go down and see Mr. Warren and explain matters and it would pass through.

Q. What explanation would you offer him? A. I could not tell you now, probably the withdrawal at some branch suddenly, a sudden withdrawal of money that we would require to meet, I would get notice from the branch that they had issued settlement cheque on Toronto for a certain amount of money. I would know I would be short in the Clearing House next day.

Q. He must have realized that keeping this sort of thing up meant the bank was in poor condition? A. I could not say that; Mr. Warren had confidence in me.

Q. You realized it? A. I realized we were sailing against danger, and could not help realizing it.

Q. Did you not tell him so? A. No, I did not see any chance for him losing anything.

Q. What loans were made by the Trusts Company to you during the pendency of this arrangement? A. At what time do you speak?

Q. You began depositing circulation in 1908, and they began depositing with you in 1909? A. Yes, the first loan I made with them was $75,000, I do not remember the date of it, on the security of $120,000 of the American Piano Company. The next loan was for $100,000 on the security of the Keeley mine bonds; and then that was all consolidated into a new loan of $295,000 or $300,000.

Q. I see I was in error; it was in December, 1908, that the deposit account in the bank by the Trusts Company began, and it was not until January, 1909, that you deposited circulation. I put the dates the other way. I am instructed by the liquidator that no interest was received on the circulation except on what is called

the special circulation account, which was an additional one to the circulation account, that except on that account no interest was received on circulation? A. The liquidator is a very careful and correct man, and if he finds this state of affairs in the books I am not prepared to contradict that; but my recollection is we were getting interest and it may be some fault of the branch office in not collecting it.

Q. What branch office was this done in? A. Toronto branch.

Q. Who was the manager? A. I had several managers during that time.

Q. Who did you put it down as being the fault of? A. I do not say it was the fault of anybody; I say it might have been.

Q. I suppose from the standpoint of statements to the Government you would use what appeared in the Bank's books and the Trusts & Guarantee Company's books as indicating you had a large deposit with the Trusts? A. We would enter it under item 29, which says, "Other assets not included in the foregoing heads", and at the bottom of the statement I would make a memorandum, "This includes eighty thousand dollars", or whatever the amount might have been deposited with the Trusts Company; that was in accordance with instructions I got from Ottawa, if my recollection is right, when I first wrote them about it.

Q. That is with regard to that reversed entry; but I am speaking of the circulation which commenced in 1909, and which crept up at the rate of a thousand dollars a month, would you show the aggregate of that from time to time as being among the deposits of the bank? A. As I explained before, circulation went to our credit, and whatever balance was there was used with the Government to show a reserve.

Q. When you say balance you mean whatever total that circulation account showed? A. The balance at our credit.

Q. Not the balance between the two accounts? A. No, the money they had with us we showed as deposits.

Q. The loan was seventy-five thousand dollars; on what security was that taken? A. The American Piano Company stock, 1,200 shares, $120,000 worth.

Q. What was the reason why that loan was made? A. It was the withdrawal of our deposits at that time, I cannot say just where it was.

Q. From where? A. I think it was from Haileybury; the Manager there went over to another bank and carried away some fifty or sixty thousand dollars of our deposits with him.

Q. You mean he transferred them to another bank? A. He had the people transfer them.

Q. It was not a case of defalcation? A. No, simply transferring.

Q. Withdrawal of business? A. Yes.

Q. At that time you had about one hundred and twenty-three thousand dollars of deposit with the Trusts Company? A. Yes.

Q. Why did it become necessary to make a loan? A. Because I had drawn the seventy-five thousand dollars out of my deposit, the cash reserve would have been depleted that amount, and it would not look well.

Q. This $123,000 was treated then as part of your cash reserve? A. Yes.

Q. They lent you seventy-five thousand dollars, did they put that to your credit? A. Yes.

Q. In actual money? A. Actual money.

Q. You owed them at that time on their deposit account about one hundred and seventy-two thousand dollars? A. Very likely.

Q. Which would make it altogether about $247,000? A. If that is the state of the books it must be right.

Q. Where did you get this one hundred and twenty thousand dollars of American Piano Company's stock? A. I exchanged it for stock in the bank.

Q. That is known as the Tevis—? A. Yes, the Tevis-Knabe transaction.

Q. At all events you had this $120,000 piano stock and you pledged it to them? A. Yes.

Q. And did you agree to pay interest on that? A. Yes.

Q. At what rate? A. Six per cent I think.

Q. That was about the 4th February, 1910? A. Very likely.

Q. The same year that the bank failed? A. Very likely.

Q. Who did you arrange that loan with? A. Mr. Warren.

Q. Did you explain the situation of the bank at that time? A. No, I explained the situation of why I needed the money only.

Q. What was your explanation? A. As I told you a few minutes ago, there were withdrawals from our branch if I remember right at Haileybury.

Q. You explained that to him? A. Yes.

Q. And told him you wanted this put in the shape of a loan? A. Placed to our credit, yes.

Q. Why did you not draw the amount from the circulation account that you had on deposit? A. I have just explained that to you; I cannot make it any clearer.

Q. If you had drawn a cheque on it for seventy-five thousand dollars they would have honored it, would not they? A. Yes.

Q. That would have been just as good to you as making a loan? A. No, my balance at the end of the month of available assets would have been reduced to too low a figure altogether; it was only a question of selling that stock or making a loan on it.

Q. The result, however, would be misleading to an outsider? A. I do not think so.

Q. When was the next loan made? A. If I remember right it was in July of 1910.

Q. Was it not in April? A. The one hundred thousand?

Q. The next loan? A. I do not think so.

Q. Was not that the case of a deposit receipt being issued, four per cent, for $120,000? A. That was a cross entry in the books; that is the deposit of the Trusts Company with us.

Q. What was the occasion of that? A. I could not answer that; they wished to have it transferred from one account to the other; I saw no objection to it.

Q. I am instructed Mr. Warren was leaving for the West and wanted to put the indebtedness of the bank into a different shape? A. Yes, I remember something about that.

Q. And you had in the savings account and the Hamilton account some $123,000? A. Yes, very likely.

Q. And that for that or for the largest part of it you issued a deposit receipt? A. Yes.

Q. What was the object of that as explained by Mr. Warren? A. The deposits as they stood then were subject to call; the deposit after we issued the deposit receipt was subject to fifteen days notice, it was an advantage to the bank to have them in that shape.

Q. It was not Mr. Warren's suggestion? A. I cannot say whether it was Mr. Warren's suggestion entirely.

Q. What would you say? A. It may have been mine, knowing he was going away and not knowing who would have the say down there regarding the withdrawal of the deposit, very likely it was mine—I do not know what Mr. Warren says on that point, but I would not like to contradict him.

Q. It would seem to me rather a dangerous thing to go to a manager of a Trust Company and say to him, "Now, you are going away, and I do not want this deposit suddenly withdrawn"? A. I do not think so at all; every banker is sensitive about his deposits, and naturally would take every means he could to prevent their being taken away from him, withdrawn.

Q. These had been with you a very long time on this same arrangement that you speak of? A. Yes; if you had ten thousand dollars in the bank, and the banker heard you were going to take it off somewhere else and he called on you and begged of you to leave it there, you would not think the bank was wrong, would you?

Q. I am not saying you are wrong; I want to get the point of view? A. The point of view was a change of the deposit from being payable without notice to being paid after notice.

Q. And the deposit receipt was issued for the $120,000? A. I believe it was.

Q. And handed to Mr. Warren? A. Or some clerk that called for it.

Q. It was arranged with Mr. Warren, anyway? A. Yes.

Q. Did he inquire as to the condition of the bank? A. He never inquired as to the condition of the bank from start to finish; I do not think he ever doubted it.

Q. He must have had some of your optimism? A. Very likely he did; it was a good thing he had in one way, and a bad thing in another.

Q. You had become good personal friends by this time? A. We were good friends always.

Q. Then how long was Mr. Warren away? I could not say how long.

Q. Was he away for the summer? A. He was away for a few months.

Q. Any length of time? A. I do not remember, I did not keep track of it.

Q. What was being done with your circulation during that time, was it being deposited? A. Yes; my recollection is we went on depositing the same as usual.

Q. Was it being withdrawn, did you have any sudden calls that you had to send down cheques to the company while he was away? A. We had calls on our deposits, yes.

Q. Had you to send cheques down to the company? A. Yes.

Q. Was there any difficulty then? A. Sometimes.

Q. Who was making difficulty? A. I understood Mr. Morden, the new manager.

Q. He was acting in Mr. Warren's place? A. Yes.

Q. And who else, did you see any one else but him during that time? A. No, I do not think I ever had any business with anybody else there.

Q. Had you to go down and persuade Mr. Morden to allow you to withdraw? A. Yes.

What was his reason for objecting? A. If I remember right, he took the ground that we should not withdraw our balance if they did not withdraw theirs from us; in other words, they should be kept at the same level.

Q. So that from their point of view they were doing you a favor in cashing a cheque? A. They were.

Q. But they did it, nevertheless? A. Yes.

Q. When did trouble begin down at the Lindsay Branch of the bank? A. It would be, I think, in July, 1910.

Q. Had Warren returned? A. Warren was at home at that time.

Q. Did you inform him of the situation created by the Lindsay trouble? A. I did.

Q. And the bank would have to look to the company for assistance? A. I did.

Q. That would be in July, 1910? A. I believe so.

Q. The state of affairs at that time was that there was the American Piano Company's stock put up as security for the amount that was due represented partly by a deposit receipt? A. Seventy-five thousand dollars; we followed the usual custom when securities are deposited that way, collateral security, one loan to make them run with the others—

Q. Would that mean American Piano Company's stock had been made collateral with the deposit receipt for one hundred and twenty thousand dollars? A. No, it had nothing to do with that whatever.

Q. It would only stand for the $75,000? A. For the seventy-five thousand dollars, and whatever the clause in the document was worth covering any other debts.

Q. There was no new hypothecation made of the piano stock at the time the deposit receipt was issued? A. No.

Q. What was the result of your informing Mr. Warren of the state of affairs? A. They loaned me one hundred thousand dollars.

Q. In addition to what you already owed them? A. Yes.

Q. On what? A. On the bonds of the Keeley mine.

Q. How many bonds of the Keeley mine? A. One million dollars, the bonds were.

Q. Who was the holder of these bonds? A. They were held by the bank as collateral.

Q. What other security? A. Nothing at that time.

Q. What bonus was given? A. No bonus.

Q. None at all at that time? A. Not at that time.

Q. Was there any stock given as security? A. I think it was after the loan had gone to our credit.

Q. Immediately after or some time after? A. It seems to me it was twenty or thirty days after.

Q. Had it any connection with the loan? A. Yes.

Q. What connection had it? A. I have to take back something I said. You asked me if I had seen anybody else at that time.

Q. Yes? A. I had spoken to Mr. Stratton; I had been up to Peterborough one Sunday and had a conversation with him; that was the origin of the stock of the Keeley mine that you are referring to I suppose being transferred?

Q. Yes; you saw Mr. Stratton before this hundred thousand-dollar loan? A. I would have to see the date the loan was made; it seems to me, as far as I can recollect, it was about that time. If my memory is right, Mr. Warren had advanced me a certain amount and wished to have it confirmed by Mr. Stratton.

Q. In consequence of that, you saw Mr. Stratton? A. I went to Mr. Stratton's house one Sunday; I think it was in July.

Q. The loan went through? A. Yes.

Q. The security being a million dollars of bonds of the Keeley mine? A. Yes.

Q. In addition, anything else? A. We transferred twenty-five thousand dollars of the Keeley mine stock to Mr. Stockdale in trust as a bonus, and fifty thousand dollars to Mr. Stratton in trust, as I understood it, as an additional security.

Q. Who is Mr. Stockdale? A. He is local manager of the Trusts Company.

Q. You speak of that as being a bonus? A. Yes, a bonus on the one hundred thousand dollars; I was wrong, it had not come to my mind at the time you asked me first; I was thinking of the cash bonus.

Q. Bonus to whom? A. Bonus to the Trusts Company.

Q. What was the fifty thousand dollars of stock to Mr. Stratton? A. Mr. Stratton suggested that being down as an additional security.

Q. For whom? A. I do not know who it was for, it was in trust; it was not explained to me; it was in his name in trust.

Q. And the bonds of the Keeley mine were put into whose name? A. They were hypothecated to the Trusts Company.

Q. Why was the difference made between the bonds and the fifty thousand of stock, one put in the name of the company and the other Mr. Stratton's name

in trust? A. The bonds were issued in the usual course to secure the bank, and the bank—

Q. Secure the company? A. Well, they were issued to secure the bank for the bank's loans, that is as originally issued.

Q. Why in dealing with the Trusts Company was the million dollars of bonds put in the name of the Trusts Company, and the fifty thousand dollars of stock in the name of Mr. Stratton? A. Stock and bonds in the company, as you ought to know are two different things altogether; the stock is very little use until the bonds are paid off.

Q. I am asking why one was put in one name and another in the other? A. Bonds were issued for the purpose of protecting the bank, and when the bank needed money it transferred them to the Trusts Company as security.

Q. If this fifty thousand was additional security, why was it put in a different name? A. I cannot answer it.

Q. Did it originate out of your talk with Mr. Stratton? A. Yes, it originated that way; he suggested it and I did it.

Q. Was that part of your arrangement with Warren? A. No, he never suggested it.

Q. What became of this stock? A. I do not know; I heard it was transferred back to the liquidator.

Mr. G. T. Clarkson: No, but it will be if I want it transferred; it is in the same position still.

Mr. Hodgins: That provided you with one hundred thousand dollars? A. Yes.

Q. How was that paid to you? A. By cheques on the Bank of Montreal for which we got gold.

Q. To the full amount? A. I believe we withdrew every dollar of it.

Q. Would that apply to the previous seventy-five thousand dollars? A. Yes.

Q. That would be $175,000 which they gave you as equivalent to gold and in your own circulation? A. We never got any of our circulation for that; I keep telling you that from time to time.

Q. Did you get further assistance from them? A. Yes, we got further assistance from them.

Q. In what shape? A. We deposited larger sums of our circulation after that, and they gave us a cheque on the Bank of Montreal in return for it.

Q. Is that an isolated case? A. Yes.

Q. What was the amount of that? A. I could not tell you, sometimes it was five and sometimes ten thousand dollars; I could not tell you exact.

Q. What months was this in? A. I should say the last few months prior to the bank's failure.

Q. It failed what date in December? A. The 19th December, 1910.

Q. During August and September, were you still depositing circulation? A. Yes.

Q. You largely increased the amount per day? A. Yes, we did, so I should say; we made two deposits if I remember right; we deposited the usual thousand and then we would deposit occasionally a larger amount.

Mr. Commissioner: In another account? A. No, sir, the same account.

Mr. Hodgins: What use did you make of that, getting cheques from them? A. Got gold for it.

Q. Would the two balance each other during that period? A. My recollection is that those transactions one offset the other.

Q. Any objection from the Trusts Company? A. Mr. Morden, if it was during his time, I think it was some of it was done, he objected to it.

Q. With what result? A. Without any particular result; it never ended in their stopping us; they still continued to assist us that way up to the very last.

Q. You had to overcome Mr. Morden's objections; how did you do it? A. I think they overcame themselves; I think he saw it was reasonable to help us.

Q. You did not have to see anybody? A. No.

Q. Did you not see Mr. Warren or Mr. Stratton? A. Later on just before the bank failed I did.

Q. That would be in October, would it; I am told it was October 26th, 1910, that you made a new loan, or thereabouts, the final loan? A. Of how much?

Q. Did you never make a loan subsequent to that one hundred thousand dollars? A. I consolidated all the loans together including the deposit that they had with us.

Q. Was I right in mentioning that as the end of October? A. I would think so.

Q. Who did you negotiate that loan with? A. I negotiated that loan with Mr. Morden, Mr. Stratton and Mr. Matthew Wilson, of Chatham.

Q. Was that consolidation brought about by any pressure from the Trusts Company? A. Yes; Mr. Morden, if I remember rightly, he either sent us word verbally or wrote to us that he wished to withdraw the one hundred and twenty thousand dollars.

Q. Gave you fifteen days notice? A. Gave us notice.

Q. And that brought about? A. That brought about the consolidation.

Q. What form did it take? A. The consolidation?

Q. Yes. A. We gave them a new note for two hundred and ninety-five thousand dollars, if I recollect, I am not sure whether it was two hundred and ninety-five thousand dollars or three hundred thousand, I think it was two hundred and ninety-five thousand, and they put that to our credit and we chequed out and paid off the old loans with that.

Q. What security did you give them for that? A. I gave them all they had previously and farmers' notes and others of the bank that the bank had under discount, I do not remember the amount, it was a large amount though.

Q. That would be the Keeley mine's bonds one million dollars? A. Yes.

Q. The American Piano Company stock one hundred and twenty thousand dollars? A. Yes.

Q. And then I am instructed that it was one hundred and eight thousand dollars of farmers' notes? A. Yes, all of that.

Q. They still were to the fore, these farmers' notes? A. Not the same notes at all.

Q. More farmers? A. Those were notes for money we had loaned to farmers to buy sheep and cattle and hogs and other things.

Q. That loan then consolidated practically the whole thing and gave you the additional credit, in other words you did not owe them any two hundred and ninety five thousand dollars, would that be right? A. I believe there was a balance in our favor; the books will show what it was.

Q. I am told there was a credit of about sixty-eight thousand dollars? A. I would not dispute that.

Q. At that time had you any idea, was there any discussion about the amount you had on deposit with them; was any account taken of it, in the way of circulation? A. They had on or about that time a certain amount of circulation that they had not paid out.

Q. Do you remember about how much? A. I should say it was fifty or sixty thousand dollars.

Q. Was anything said about setting it off? A. Mr. Morden wanted it out of the road; he did not care about carrying it.

Q. What was done with it? A. We redeemed it from time to time by cheques on our balance.

Q. After the loan was consolidated? A. After the loan was consolidated, that is my recollection, I cannot speak positively on that.

Q. In dealing with the loan there was no credit taken for the amount of circulation on hand? A. No, that was a special matter.

Q. It had never been taken into consideration in making any one of these loans? A. Yes.

Q. Always treated as if it did not exist so far as the amount of the loan was concerned? A. Yes.

Q. Had they when the bank failed a large amount of your circulation? A. I believe they had.

Q. How much do you think they had?

MR. G. T. CLARKSON: Five or ten thousand dollars, I understood? A. They had all of that any way.

MR. COMMISSIONER: What was done with this balance at the credit of the bank in the circulation account as it is called; was that deducted when consolidated? A. No, those special deposits.

Q. The account that had been running all the time that was intended to be kept even with their deposit account, how was that dealt with in this consolidation? A. After the consolidation was completed we practically had the same amount to our credit as before.

MR. HODGINS: A very large sum? A. Sixty or seventy thousand dollars, I do not remember.

Q. In the circulation account?

MR. COMMISSIONER: That account stood at over one hundred thousand dollars? A. It did at one time, not at that time, that is when we were being drawn upon.

MR. HODGINS: The total in the circulation account appears on the 31st October, 1910, to be $73,161? A. I presume that is right.

Q. And the totals of the loans and deposit, you having put part of the credits into the form of a loan, would be two hundred and ninety-nine thousand dollars? A. Yes, that is right.

Q. Then the seventy-three thousand dollars was not taken into account at all but left outstanding? A. It was left outstanding to our credit.

Q. After that you had as far as I can see in the neighborhood of sixty-eight or seventy thousand dollars to your credit in the circulation account? A. We had that at our credit; I cannot say it was exactly on circulation account.

Q. From that point of time when the last consolidation took place did you draw against that circulation account? A. I believe we did.

Q. Did you draw freely or had you to put up security to get it? A. Yes, we had to deposit various things with them in order to get it, sterling exchange and drafts on New York and drafts on Buffalo, and drafts on Chicago, and different places.

Q. Did you get this out in gold or in the form of your own circulation? A. I got it out the way I have told you, through a cheque on the Bank of Montreal.

Q. Then when the end of the bank came there would be very little in the circulation account then? A. I believe the figures given you, ten thousand dollars, would be nearly right, although I thought it was higher than that.

Q. So that the Trusts Company came out with their whole debt secured? A. Absolutely, I would say so.

Q. And you pledged in order to get the balance of your circulation back from them, or the equivalent of your circulation, you had pledged other securities or handed them over? A. Some of that circulation was taken back in this way; special circulation that you refer to was in large denominations, and they had to ship to Calgary and to Brantford and I believe some other points, and we would go down and take up this circulation by sending the smaller bills, five thousand dollars at a time, to Calgary and getting the larger bills back again.

MR. COMMISSIONER: Why should you give them these drafts and sterling bills? A. In order to get a cheque on the Bank of Montreal in order to get some money for the Clearing House.

Q. If they were fully secured why was that needed? A. At that time we had to deposit as much as we wished to withdraw every day, Mr. Morden was unwilling for us to reduce that balance for some reason or other; if we needed ten thousand dollars say to-day we would have to provide practically ten thousand—

Q. Was that because they were unable to get the circulation out? A. Yes, I would say so.

MR. HODGINS: In addition to the securities you put up for that loan they would get practically cash for any cash they gave you? A. Yes, I think my recollection is we deposited the equivalent of cash each time.

Q. And if they had none of your actual circulation on hand they must have used the difference between what was left in their hands and what the account showed? A. I do not quite understand you.

Q. If the account showed about sixty or seventy thousand dollars to the credit of that circulation account they would not allow you to draw on that and give you gold for it? A. I think as a matter of fact they did allow us to draw.

Q. That is what I do not understand? A. The books will show that; I cannot remember those things down to every item; my recollection is we drew against that account right up to the date of the failure.

Q. I understood you to say in order to get them to honor your drawings you had to put up other securities? A. Yes, we did.

Q. To the same amount? A. Yes; I cannot tell you how that balance was on the day of the failure.

Q. That does not seem that they ought to have reduced that circulation account at all; they had no business to charge it up; Mr. Clarkson probably knows more about that, the details of that; he thinks they allowed you to draw in addition to amounts you put up so that the circulation account was gradually reduced? A. That was my recollection; I think you are mistaken on that, because I think we only drew what we deposited, and the other withdrawals was for circulation we shipped away; for instance, if we drew fifteen thousand dollars, ten thousand would be for an equivalent of cash that we deposited, and five thousand would be of our own circulation to be shipped to Calgary office; that is my recollection of it.

Q. That is they would let you have that five thousand back? A. Yes.

Q. And you shipped it off to Calgary, and staved off the evil day in that way, it would not come back so soon? A. It helped, yes.

Q. That was the case that I thought had occurred, where you got back actually your own circulation from the vaults of the Trusts Company? A. I misunderstood you. While that came back in that way it is still paid out by them.

Q. They shipped? A. No, we shipped smaller bills, charging them with it and got back the other bills.

MR. COMMISSIONER: Why would you charge them with it if you got the large bills and sent the small bills to your own agent; that did not help them? A. It helped us.

Q. Would not they reduce their owing to you by the amount of the large bills they returned; if they gave you ten thousand dollars of large bills back that reduced their indebtedness by that amount, didn't it? A. We would have to draw on our account, our circulation account reduced that ten thousand dollars in order to get that; then we would rebuild that again by the shipment to Calgary.

Q. You would not charge that re-establishment to the Trusts Company? A. Yes.

Q. Why, they did not get it? A. It is their office up there.

Q. Oh, it is their office? A. Yes.

MR. HODGINS: What was the highest point that your circulation reached during the currency of the bank? A. I could not say, I think it was in the neighborhood of half a million; I do not know the figures at the present time exactly.

Q. If this circulation account with the Trusts and Guarantee Company ran up to over two hundred thousand dollars—? A. It never did; we were redeeming it and redeeming it all the time; we never had that amount of our circulation in their hands.

Q. That is what the records show? A. No, it does not show that at all; they might have ten thousand dollars; at one time they had about fifty or sixty thousand dollars on hand, but they have paid it over their counter, and it filtered through the Clearing House; we were taking it up from time to time.

Q. You remitted this circulation through them? A. Yes.

Q. And if that ran up to one hundred thousand or one hundred and fifty thousand or two hundred thousand that shows the circulation went out through them and not over the counter of the bank? A. It meant they paid that out to the public, and it was in the pockets of the people.

Q. I am not disputing that at all; I am simply indicating the proportion you got rid of through this Trusts & Guarantee Company? A. Yes

Q. And that was a very large proportion of your circulation? A. It was a certain amount.

Q. A very substantial amount? A. It helped us very much.

Q. It grew larger instead of smaller as the business of the bank went on? A. No, it did not grow any larger except for the special deposits that I spoke of in circulation; the thousand dollars a day went along from the time it started until the end of the bank.

Q. The circulation account would increase? A. Yes.

MR. COMMISSIONER: It would be turning over and coming back again? A. Certainly.

Q. It would not be the whole of that necessarily? A. Certainly not; the average would be twenty-five thousand dollars.

MR. HODGINS: What do you mean by the average? A. The average that they were paying out for us.

Q. You mean you kept about twenty-five thousand dollars going the rounds, you depositing with them and they getting it out and then getting it back again? A. They pay out twenty-five thousand dollars in one month and we would have redeemed through the Clearing House that twenty-five thousand dollars by the time they paid out another twenty-five thousand dollars.

Q. The net result you think would be that about twenty-five thousand dollars of circulation could be kept revolving in that way and yet produce an account which you could show in the bank returns of something between one hundred and two hundred thousand? A. Certainly, with the borrowing I made from them.

Q. That is good banking? A. I think so; you may not think so, but I thought so.

The Commission adjourned at 1 p.m. to 2.15 p.m.

The Commission resumed at 2.15 p.m.

J. G. FITZGIBBON, recalled:—

MR. HODGINS: Is that the three thousand dollar cheque which was spoken of that you drew? A. No, sir, that is not the one I recall; if I saw the stubs I could tell more clearly; but my impression was that it was a Farmers Bank cheque.

Q. That cheque is dated on the 7th January, 1907, and is entered on one side of the bank cash book, Union Bank, W.R.T., cheque number 12, $3,000; on the other side it has, charged, Bank premises, $3,000? A. As I remember the cheque that was drawn out I drew out myself; that was drawn out by Mr. Shaver.

MR. COMMISSIONER: Have you not any idea of the date? A. No, I have not the faintest idea of the date.

MR. HODGINS: Q. Not relatively to the time you went in? A. It was shortly after—

Q. Was it shortly after the bank commenced to operate? A. Yes.

Q. It commenced to operate on the 2nd January, and this is dated 7th.

MR. COMMISSIONER: This one was supposed to have a "C" on the stub; there is the cheque, it was six thousand dollars the one that was marked C.: that is the cheque I have reference to; I did not remember the amount, but when Mr. Travers says—

Q. That is dated the 20th April 1907? A. That is the cheque I referred to; when he said the stub was marked "C" I remembered that I had drawn out the cheque myself and had marked "C" on the stub.

Q. In the bank cash book it is organization, commissions, six thousand dollars; is this stub in your handwriting? A. Yes, and I drew out all those cheques myself after the organization of the bank.

Q. Those are stubs and cheques on what date? A. On our own bank.

Q. Which one? A. The Farmers Bank; these were issued by the head office, and they were paid by the Toronto—

Q. This three thousand dollar cheque I show you of January 7th, 1907, is payable to W. R. Travers, endorsed by him, on the back of it you notice the sized bills it was paid out in? A. Yes.

Q. Was there any justification you know of for charging that to bank premises? A. No, none beyond instructions from Mr. Travers.

Q. What would it mean charging it to bank premises? A. It might have been paid out on the purchase of property.

Q. That would be the only justification? A. Yes.

Q. Had you bought any property at that time for bank premises that you know of? A. We were fitting up bank premises in Toronto here; we leased the building from Stair and we were making all the alterations ourselves.

Q. It would not be quite likely it would be drawn out in bills if it were being drawn to pay accounts for furniture? A. That cheque was drawn out by Mr. Shaver, who was the head office bookkeeper, and probably he got instructions from Mr. Travers himself to draw it out, because I do not recall it at all beyond seeing the cheque when it came through.

MR. COMMISSIONER: The stub of cheque for six thousand dollars, number 105, 20th April, 1907, in favor of (blank), is that account "C"? A. Yes, account "C".

Q. Six thousand dollars, in whose favor was it drawn? A. I think it was drawn to Mr. Travers' own favor.

Q. Why was not that filled out? A. Because he instructed me just to mark the stub just account "C".

If you wrote the cheque you must have made it payable to somebody? A. I do not recall how the cheque was payable, whether it was payable to him personally or to bearer.

MR. COMMISSIONER: I suppose the cheque itself can be got?

MR. CLARKSON: We are sending for it.—EXHIBIT 60: Cheque for $3,000 payable to W. R. Travers.

MR. HODGINS: Were the subscriptions sent down to Ottawa at the time the certificate was being applied for? A. Not that I can recall.

Q. Your letter that is put in speaks of Mr. Hunter going over subscriptions, and does not say anything about sending them down? A. When I heard Mr. Travers say that I tried to recall if they had been sent, and while I would not swear positively that they were not sent I do not recall ever sending them, I do not think they left the office, and I think if Mr. Hunter from whom I got the instructions about sending down the three blank cheques, and in writing to Mr. Travers to report he had been in and had passed his opinion on them that if he had asked me to send them to Ottawa for him I would have mentioned in the letter how they were to go down, whether by Canadian or Dominion Express or registered mail.

MR. COMMISSIONER: How does he say he got them?

MR. HODGINS: I think he said parcel post.

MR. COMMISSIONER: They would probably have been registered? A. Yes, if they went by mail they would have been registered, but I have not the faintest recollection, I do not remember being asked to send them down, because the instructions I got in the letter were from Mr. Hunter when he came back from Ottawa, he asked me to let him see the subscriptions, as he would like to go over them to see they were all in order, and they were on one of those files alphabetically arranged, and he took them into Mr. Travers' room and glanced over them rather carefully, and handed them back, and said "They are all right, if the Finance Department want them you need have no hesitation in sending them down," but I have no recollection of sending them.

MR. HODGINS: Did he look at any book? A. He may have done so.

Q. You were here when he gave a description of the book? A. Yes.

Q. I think I asked you about that? A. Those are the only two books we ever had in connection with the stock subscription, and if he looked in any book to verify any of the entries on the list that went to Ottawa it would have been the small book from which the list was made up.

Q. Would the subscriptions themselves show anything about the notes? A. No.

MR. COMMIISSIONER: Is that all you can say about this cheque? A. Yes.

Q. Your position was accountant? A. Yes, sir.

Q. Ought not you to have known the purpose for which the cheque was issued? A. No, sir, I took my instructions from the General Manager.

Q. How could you know to what account to charge it? A. That was also from instructions from him.

Q. Why was not it put in account of organization commissions? A. He said just mark the stub "C" and charge it up to organization commissions.

Q. I see on the 14th June there is another cheque for the same amount, W.R.T.; what is that?

MR. HODGINS: It is charged Organization C. I. List? A. That is cash item list. That came up from the Toronto Branch.

MR. COMMISSIONER: What does that mean? A. It would probably have been cashed or placed to somebody's credit down in the Toronto office and come up to us.

Q. To what account is it charged? A. Organization.

Q. What were you paying organization expenses at this time for? A. That is more than I can say, Mr. Commissioner.

MR. HODGINS: Those two cheques appear in ledger in page 23 under an account called "Organization Expenses"? A. Yes, sir.

MR. COMMISSIONER: What is that account composed of? Does it include the provisional directors expenses?

MR. HODGINS: Yes, it begins with Guthrie & Pringle $110, Masten Starr & Spence $10, making $120. Then McCorquodale $7.50; and then comes December 6th $10,000; December 7th $5,000; then a little later on $1,800 that was paid to Smith; and then Dr. Webster $50; and then a cheque on March 12th of $25,344.80

which I think an explanation will have to be given of, but it included the loan of $2,380 made to Travers, and the $20,000 loan and some other items? A. Yes.

MR. COMMISSIONER: Why were those charged to organization expenses? A. I could not say; we in that office simply carried out instructions.

MR. HODGINS: It winds up with the payments made to the provisional directors on account of that second ten thousand dollars.

MR. COMMISSIONER: What is the total?

MR. HODGINS: $121,000; that includes an item of thirty-two thousand which begins the account, November 26th, 1906? A. Yes, that was the amount taken over from the provisional directors.

Q. That was taken over at about ten thousand short? A. Yes.

Q. What was done with that ten thousand? A. I could not say.

Q. At all events the organization expenses as appearing in the provisional directors books were not carried correctly into the—? A. We did not open the books from the provisional directors books; the figures were given to us upon which to base the opening entries.

Q. By whom? A. By Mr. Travers.

Q. You know enough to know, I suppose, from the figures that is about ten thousand short? A. Yes, from subsequent things.

EDWARD B. STOCKDALE, Sworn, Examined by:—

MR. HODGINS: What is your position? A. Manager of tthe Trusts & Guarantee Company for Ontario.

Q. In 1907 and 1908? A. 1906 and 1907 I was, I think, known as accountant or acting manager of the company, accountant for part of the time and acting manager for other portions of the time, probably assistant manager, manager of estates, portions of that time.

Q. You of course knew Mr. Travers the manager of the Farmers Bank? A. I met him in the fall of 1906.

Q. In connection with that loan? A. Yes, the $80,000 loan.

Q. The only instruments produced here are two letters from Mr. Warren, one respecting the date at which interest begins, and the other reciting that he has received notes as security? A. Yes.

Q. You have seen those two letters? A. Yes, I have seen both of them (Exhibit 43).

Q. Were there any other documents connected with the loan you had ever seen? A. Yes, they were produced in the other courts.

Q. What were they? A. In connection with the $80,000 loan we produced a copy of our loan ledger account in respect of the $80,000 loan.

Q. I have not got so far as that; I mean with regard to the making of the loan, were there any other documents connected with it or indicating what the security was other than those two letters that are put in? A. No, not that I recollect at the minute.

Q. Mr. Travers seemed to have some idea that there was another document? A. We have the hypothecation agreement, of course; that was produced in the other court, put on file.

Q. I do not think so? A. It was.

Q. Of the $80,000 loan? A. Yes, it was produced in my evidence.

Q. What other court? A. It was before Judge Denton, I think, if my memory does not fail me.

Q. That would be in the trial of Messrs. Warren and Morden? A. No.

Q. Judge Denton tried those two? A. I remember it was in the County Sessions Court; I do not know whether it was in connection with Mr. Morden's case; it was in connection with the case against Mr. Stratton and Mr. Warren; I do not know whether it was Judge Denton or Judge Winchester it was one or the other.

Q. Judge Winchester tried Messrs. Stratton and Warren? A. Then it would be Judge Winchester.

Q. You think it would have been produced there? A. It was produced there and filed.

Q. I have never seen it; I have looked for it carefully? A. It is there, we did not get it back; I have a copy of it here, if it would be of any use to you.

Q. I would like to see it? A. At least, I think I have.

Q. Did you produce it? A. I produced it in my evidence; I thought I had a copy of that, but I do not see it just at the moment.

MR. COMMISSIONER: You have a copy somewhere? A. I thought I had, and probably will have one somewhere.

MR. HODGINS: In your evidence, the letter dated the 11th October, 1906, is read, and you are asked to explain the transaction; the letter was put in and marked as Exhibit 2. Then this letter of October 10th is put in and marked Exhibit 3; then the cheque, Exhibit 4; then a statement copied from the mortgage ledger was marked as Exhibit 5; and then the questions go on to the $20,000 loan? A. I was positive that hypothecation agreement went in there; I can remember the agreement quite distinctly.

Q. You put in an hypothecation agreement regarding the $20,000 loan? A. Yes, I remember that.

Q. You have not got a copy? A. I have not got a copy of it just here; I thought I had a copy of it. I remember what was in it, though.

Q. Do you think you would have a copy at your office? A. We might have; I remember seeing a copy of it not very long ago, unless my memory fails me very badly.

Q. Would you look for it? A. Yes, certainly; anything we have we will be glad to produce.

Q. You got a list of notes, or did you compile a list of notes? A. It runs through my mind there was a list of notes; I think that list was filed; I do not think I had a copy of that.

Q. That is another document I have been unable to see any witness refer to; have you a copy of that? A. That is a list of notes given to us at the time?

Q. Yes? A. My recollection is that was filed; I may be wrong in that.

Q. I would be glad to have you read over your evidence and say if you are correct in that? A. There is so much evidence given, it is hard to remember all.

Q. That loan, you did not negotiate it, you simply prepared the papers? A. I was assisting Mr. Warren generally at that time and the first connection I had with it was when I was called in, and if I remember rightly, instructed to make out first a receipt for the notes which were given. (The receipt you referred to a while ago is in my handwriting), and to make out a cheque for $80,000.

Q. That letter of October 11th, 1906 (part of Exhibit 43), is that in your handwriting? A. Yes.

Q. I note a little change in there. You originally wrote it in a particular way, and you added the words "Provisional directors of"—what was the cause of the change? A. I have the habit of putting down a thing exactly when I put it down in writing, and that is no doubt the reason why I put that in there; that was my understanding at that particular moment what the transaction was.

Q. You wrote it out? A. Yes.

Q. And I suppose wrote it correctly as you understood it? A. That is what I inferred. I was corrected immediately afterwards.

Q. Was that in consequence of Mr. Warren's instructions? A. No, I do not think so; I am positive it was not.

Q. Why did you do it? A. Because I inferred that list of notes was furnished by the provisional directors. No doubt, why I inferred that, was, that the notes, if I recollect rightly, were in favor of the provisional directors.

Q. You had not heard anything of it being a personal loan to Travers? A. I always understood it as such.

Q. Why did you put it in? A. I was in the next office to Mr. Warren, and he called me in and I was instructed to make out a receipt for a bunch of notes handed me along with a list of notes, check them over and make out a receipt, and I was told to make out a cheque; there was no discussion at that particular moment.

Q. When did you understand it was a personal loan to Travers? A. Immediately afterwards.

Q. After you had written that out? A. It might have been the next day or a couple of days after that; when I saw the hypothecation agreement I saw it was a loan to W. R. Travers.

Q. You did not draw any hypothecation agreement? A. I do not remember about that.

Q. Would you say it was a couple of days afterwards? A. It might have been a couple of days afterwards when I was put right as a mistake in referring to this list as a list furnished by the provisional directors.

Q. Who put you right? A. Probably Mr. Warren or probably I put myself right.

Q. Do you remember? A. Well, if a man has a thinking apparatus—

Q. Do you remember? A. My knowledge at the moment is I was put right either by Mr. Warren or by mental process of my own that it was W. R. Travers' loan; I always understood it as such as soon as I got familiar with it.

Q. If it was a mental process—? A. I did not say so; either Mr. Warren told me or I put myself right. No doubt, I was told it was W. R. Travers' loan; the hypothecation agreement would show it was W. R. Travers' personal loan.

Q. You are unable now to recall whether you were put right by Mr. Warren or by a mental process? A. Or by the documents.

Q. When you made this letter of October 11th, 1906, you took it in and had it signed, I suppose? A. Yes.

Q. What did you do with it? A. No doubt, it was then copied in our letter book and handed over.

Q. To whom? A. To Mr. Travers.

Q. Did you do that? A. No, but I could almost swear positively that the document was handed over.

Q. It was undoubtedly handed over, but I do not know whether you did it? A. I did not do it personally, I do not expect.

Q. At all events, a couple of days afterwards you were sure it was a personal loan to Mr. Travers? A. I say it might have been the same day or the day after or two days afterwards; it was immediately afterwards.

Q. We can put it a margin of a couple of days, that after that you always believed it was a personal loan? A. I probably knew that it was a personal loan as soon as I got the hypothecation agreement, at the time I made out that list there, the list indicated what was in my own mind.

Q. And you remained under that impression, I suppose, thereafter? A. As a personal loan?

Q. Yes? A. Yes, positively.

Q. Had you to do with reversing the entries on the 17th or 18th December? A. That would come under my supervision; the office generally was under my supervision.

Q. To what extent? A. The giving of instructions to subordinates.

Q. Who did you give instructions to? A. I could not tell you now; we have a number of bookkeepers and I could not tell you whether it was Jones, Smith or Brown; I could not recall that.

Q. Did you give the instructions? A. Yes, all instructions as regards bookkeeping were given by me.

Q. Did you give the instructions as to the reversal of the loan on the 17th or 18th December? A. Undoubtedly.

Q. Then you did not make the reversal entry yourself? A. No, I do not think so.

Q. What instructions did you give? A. Sometimes I would make an entry in the books, but very seldom.

Q. It is quite unnecessary to tell me that; did you give the instructions? A. Undoubtedly.

Q. What were they? A. That the credits to the W. R. Travers' loan account should be reversed so that the moneys which were originally applied to the W. R. Travers' loan would appear as a deposit to the credit of the Farmers Bank.

Q. If it was a personal loan to Travers the reversal made it a loan to the Farmers Bank? A. No.

Q. What did it make? A. We had securities satisfactory to us in our hands. Mr. Travers said, "Let my loan stand and put my money to the credit of the Farmers Bank of Canada".

Q. Did he say that to you? A. I can almost swear positively he did; I think I was called in at the discussion.

Q. Will you repeat that? A. "That you have your security, I want the money placed to the credit of the Farmers Bank, rather than remain to my credit, hold my securities, the securities you have got now and you shall be safe."

Q. Do you recollect that conversation? A. I would not say the conversation was with Mr. Warren or not; that is my recollection of the whole thing; that is what I understood at the time, whether Mr. Warren told me in Mr. Travers presence, or Mr. Travers told me in Mr. Warren's presence, or whether it was told me when Travers was not there; I was given my instructions to do it.

Q. And he preferred it should be transferred to the Farmers Bank instead of to his own credit? A. No, I did not say that.

Q. What did you say about it? A. My instructions, or the conversation I overheard was, that the moneys which originally had been credited to the W. R. Travers loan would be placed to the credit of the Farmers Bank of Canada, we retaining our securities.

Q. Did you have these securities in the name of W. R. Travers? A. We had notes endorsed in blank without recourse to the provisional directors.

Q. It was all in the name of W. R. Travers? A. Yes.

Q. Your entry in your books? A. Yes.

Q. And the loan account stood in his name? A. Yes.

Q. Will you turn up that ledger entry you have there, how was that headed? A. Headed "W. R. Travers, Toronto".

Q. That is the original entry? A. Yes.

Q. Is that the same as your copy there? A. Yes.

Q. Then the moneys that had come in had come in on three separate dates? A. Yes.

Q. What were they? A. December 6th, $30,000; December 7th, $25,000; that is all the money that went to the credit of that particular loan account; the

other twenty-five thousand odd dollars went direct to the credit of the deposit account.

Q. This is headed in your ledger, 289, name, W. R. Travers, address, Toronto; security notes amounting to $100,955—is that entry correct? A. Yes.

Q. "Rate of interest 10% payable November 22nd, and bonus $1,000; terms due November 22nd, 1906"? Yes, I have no doubt that is entirely correct.

Q. That would be then practically a month's loan, a little over a month's loan? A. Yes.

Q. Have you any other loans upon similar terms with a bonus of $1,000 and 10%? A. It was not unusual at that time to get a bonus. I do not remember whether we have any other loan on which we got a bonus or not; this matter took place six or seven years ago.

Q. How long were you in their employ at the time this loan went through? A. I have been with the Trusts Company since 1900, 12 years.

Q. In whose writing is the heading of this account? A. One of our bookkeepers' at that time.

Q. You could not be expected to remember his name? A. No.

Q. December 6th, $30,000 and December 7th, $25,000 were actually credited upon that loan? A. Yes.

Q. And left on December 7th, only how much due? A. $25,000 and some interest; then there is the $1,000 bonus which was not charged up in our account.

Q. What entries did you reverse? A. The entry was cut out, the credit of $30,000 and $25,000 in the Travers loan account, No. 289, were scored out and credited to the Farmers Bank of Canada deposit account.

Q. Show me that account? A. That is in the other ledger.

Q. It looks to me as if there was a third one scored out, December 31st, $32.88, and the total of $80,032.88 scored out? A. That little amount is scored out, $32.88.

Q. When was that made? A. I do not remember that at all.

Q. Do you know in whose handwriting the entries are in? A. In some of the bookkeepers'; we have different bookkeepers.

Q. Where is your cash book which shows the date when the last item was received; will you turn that up too? A. Speaking of the $30,000 received on December 6th, cash book folio 879, the credit originally made was showing a payment from W. R. Travers on what we call loans account of $30,000.

Q. That is struck out now by some one having put a pen through? A. Ruled out in red ink.

Q. And the word W. R. Travers ruled out in red ink and the 289 ruled out in red ink? A. Yes, that is the ledger folio.

Q. Who scored those out? A. No doubt scored out under instructions.

Q. From whom? A. No doubt from carrying out my instructions.

Q. Did you give detailed instructions as to how much of the entry was to be struck out? A. I could not say, it is six years ago.

Q. And you struck out W. R. Travers and the folio? A. That is all that is necessary to be struck out in order to carry out the reversal.

Q. Was that done at the time? A. Undoubtedly.

Q. What time? A. You mean was it done on the 6th December?

Q. No? A. It was done about the 17th or 18th December.

Q. Can you fix the date? A. Yes.

Q. When was it? A. I am not positive whether it was the 17th or 18th; I fix the date by the fact firstly by the last payment from Travers having gone direct to that deposit account of the Farmers Bank of Canada, and of the issue of a certificate of deposit.

Q. What date do you fix having regard to those two elements? A. I would not be positive whether it was the 17th or the 18th.

Q. This receipt of this cheque must have been either on the 17th or 18th? A. Yes.

Q. Whatever date it was received on would be the date of the entry, the reversal? A. Not necessarily. A cheque may come one day and be entered the next day.

Q. If I show you that receipt on the 17th, would that be the day the change was made? A. It might be the next day; before that went through our books.

Q. It would be the next day? A. I would not say it was the next day or the day you are speaking of, the 17th December.

Q. Carried forward at the bottom of this 879 does not contain that $30,000; when are those totals carried forward? A. At the end of the month; they are inked in at the end of the month; in the meantime they are carried forward in pencil. The pencil totals are also erased after audit; that is the common custom in bookkeeping.

Q. Will you turn up the next cheque, $25,000; that is similarly credited W. R. Travers, Farmers Bank of Canada, 289? A. Yes.

Q. And the call loan is scored out? A. It is reversed in identically the same manner as the one of the sixth.

Q. Is it scored out? A. Yes.

Q. But it is left in the column marked deposit as the $30,000 was? A. Yes.

Q. So that there is no doubt as to its receipt by you and as to its deposit in your bank? A. No.

Q. Does the total of $70,300 include that $25,000 or does it not? A. No, it does not.

Q. These totals would be at the end of the month? A. No, those are totals of the items appearing on this page and preceding pages during the month of December.

Q. But put in at the end of the month? A. Yes; during the month we carry the totals forward in pencil and then rub out the pencil.

Q. Where is the next one? A. There.

Q. This on page 884, there is credited on December 17th, Farmers Bank of Canada, $25,605.81? A. Yes, that is a credit to deposit account.

Q. That is shown in deposit account? A. Yes.

Q. When was that put there? A. The credit is under date December 17th.

Q. But prior to that you find the 18th? A. The entries in our cash book at that time do not go to say that the money was received, not necessarily.

Q. Who put in this as the date, the 17th? A. That is the date we actually received the money, undoubtedly.

Q. Who put it in? A. That would be put in by our bookkeeper.

Q. What is his name? A. I do not know.

Q. Is he with you now? A. I do not imagine so; it looks like a man who was with us at that time and left to go West.

Q. What is his name? A. That I cannot recall; we have had many men pass through our office.

Q. At all events that does not appear to be entered in regular sequence? A. You can say that about almost any entry you pick out there.

Q. What is your explanation of that appearing on the 17th? A. That we received the cash on the 17th, and the cash comes into our bank on the 17th.

Q. How is it the entries preceding that are of a later date and also an earlier date? A. Our system of entry at that time called for the credit of items to be first made out on slips called credit slips or debit slips depending on whether the money was received or paid out; then these slips would be accumulated and posted into our cash book, in other words the original entry is on a slip of paper.

Q. Do you keep those slips? A. We used to keep them, we keep them for probably a year or two years.

Q. Did you keep the credit slips for this? A. I do not know, we may have them.

Q. I would like you to look and see. Where was that entry on the 17th carried into? A. Into the Farmers Bank deposit account.

Q. You contend I judge from what you are saying now, that the item $25,605.81 was never credited on this loan? A. Never went into our books of final entry as a credit to the loan; it went direct to the deposit account.

Q. Please answer the question as I ask it; I want to know whether it indicates that was never credited on the loan? A. It never was credited upon the loan in our books.

Q. That is the position you are taking? A. Yes; the books show that. There is the credit.

Q. This does not appear to be carried into any particular page? A. No, the deposit ledger is almost invariably posted from the deposit slips. In order to get the entries of money in or money out into the deposit account effected as quickly as possible, and intermediate entries are put through—

Q. The first two items did have the page in the ledger? A. Yes.

Q. But this one does not? A. This is different.

Q. When was this transferred to this account No. 1100 when was it transferred to the account; you show me now and say it was put into? A. It would be posted up directly into this account as the books show.

Q. When, I say? A. The books show the 17th December.

Q. When were the two prior entries, December 6th, and 7th, posted up? A. They were undoubtedly posted up at the same time, that is what the books show.

Q. Where were they posted from? A. From the facts as they were given at that time; there may have been a deposit slip made out for those two items, or there may not, because they did not come into our deposit account, Farmers Bank of Canada, in the regular way. They are first credited to loan account and afterwards reversed and put to credit of the Farmers Bank of Canada deposit account.

Q. Is that No. 1100 a true entry? A. That shows credit to the Farmers Bank of Canada $80,605.81.

Q. And it shows that accumulation beginning December 6th? A. The first credit went to that account as of the 6th December.

Q. You charged interest on it from that day? A. We would not charge interest, we would credit interest.

Q. On that date? A. Yes.

Q. Did the amount $25,605.81 exactly pay that loan with interest up to the 17th December, if it had been applied on the original loan? A. I think I worked that out from our books that way.

Q. And a statement had been sent to Mr. Travers after that memorandum, how did it come that that cheque was given for that amount? A. I have no recollection of that: I know it figures up. I do not remember, but this is only one transaction in many; I would be superhuman if I could remember the details.

Q. Is that the only entry connected with that loan? A. Except the entries covering the payment of the loan, and of course the closing of the deposit account.

Q. You had lent this $80,000? A. Our company had lent the $80,000.

Q. And these two first items had paid it off to that extent when received? A. Yes.

Q. And on December 17th, there was exactly that balance due, $25,605.81; when that transfer was made, was it all made on the 18th? A. The books would show it was made on the 17th.

Q. That is these two books? A. Yes, but then there was the letter dated the 18th.

Q. It was on that date that the reversals were made? A. I cannot say that; I have answered that before.

Q. You cannot tell? A. No.

Q. If it be the fact that Mr. Knight was here on the 18th? A. I do not know when Mr. Knight was here.

Q. I say if it is the fact that he was here on the 18th and that day Mr. Travers came down and got the certificate and got the items reversed, what appears as the result in your books would have taken place on the 18th instead of on the 17th? A. I would not want to express an opinion upon that.

MR. COMMISSIONER: I should not have thought there was much difficulty, if it happened on the 18th it happened on the 18th; that would be the position? A. If it happened on the 18th, yes.

Q. MR. HODGINS: Who gave you the instructions to make those changes? A. I have answered that to the best of my ability.

Q. Would you mind telling me again who gave you the instructions? A. I would say I do not recall whether the instructions were given to me during a general conversation in which both Mr. Travers and Mr. Warren were there, or if Mr. Warren gave me the instructions.

Q. At all events, whatever date it was, money was received by your company as a payment on the Travers' loan, obviously, $25,605.81? A. If that came in on the 17th I would say that quite obviously it was received with the intention of crediting it to the Travers' loan, but before the entries went into our books in any shape or form we got the other instructions.

Q. You got a cheque? A. Yes, on the 17th and went into our bank on the 17th.

Q. In payment of that loan? A. Yes.

Q. But before you were able to make entries in your books some one changed its destination? A. Yes, its destination was changed.

Q. And so this reversed the whole thing; you are basing that of course wholly upon the fact that your books show that that was received on the 17th? A. Basing what?

Q. Your idea about reversal taking place on the 17th? A. Yes.

Q. You have no independent fact beyond the entry to tell you about that? A. No, I could not place the date. I also refer to the fact that that certificate was issued at that time, so that I know the entries went through on the 17th or 18th; they are the two factors.

Q. You are in doubt as to the real date at which the entries went through? A. Yes, I could not say which day it was.

Q. Travers says the 18th? A. I would not contradict him if he says the 18th.

Q. The cheques that you got, those three cheques, came through Mitchell, are you aware of that? A. I have heard of it, I think, during the different court proceedings; I have no personal recollection of cheques having come through Mr. Mitchell.

Q. They would not have passed through your hands? A. I would not know it, because as far as we were concerned, it was only so much money we were receiving, no matter whether it was Jones, Smith or Brown, or Travers' own cheque.

Q. I am only asking you do you know anything about Mitchell in this connection, you do not say so. What was the method adopted whereby that loan was paid off which you professed to put through the Farmers Bank? A. I do not profess to put through anything so far as that; this loan and the $20,500 loan and the $2,380 loan were paid off by two cheques, one for $25,344 and the other for eighty thousand and some odd dollars; the exact amount of that deposit account, No. 1100, the Farmers Bank deposit account.

Q. Just look at this statement and tell me if that will help you, a copy from your books? A. This is not a copy from our books, at least, I do not think so; it is certainly not done on any typewriter in our office.

Q. Look at that and tell me whether those credits that appear there beginning with some $3,500 appear in your books? A. These entries appear in one of our deposit accounts, deposit account No. 158 of the Farmers Bank of Canada; at least, I should say so.

Q. And certain of these items, at all events beginning January 7th, 1907, with a deposit of $3,600 going on to April 8th, do your books show what the general ledger of the bank shows, deposits made to the Trusts Company to that extent, totalling $25,605.81? A. That is not the total; that is the balance at a certain time. We start our deposit account No. 1114; it starts off with a credit of $3,655 on January 7th, 1907.

Q. What is there to its credit on the 30th January? A. $37,710.

Q. You agree then with the bank's books; then on February 14th, what do you find? A. The balance of $35,485.

Q. That is, after deducting $3,000? A. This is after we paid and charged up $3,000.

Q. What is this account you have open for me? A. This is the deposit account of the Farmers Bank of Canada.

Q. What were they depositing with you, do you know anything about it yourself? A. They were making ordinary deposits with us, as far as I can recollect.

Q. You say you do not know any difference? A. No, I do not recall any difference.

Q. Did you have any intimate knowledge of the account; did you know anything about it? A. No more so than I would of any account.

Q. So that at the moment you can throw no light on the details of it? A. Not that I can recall for the moment.

Q. What was the balance of that account on the 3rd April? A. $50,950.61; our books do not agree with theirs at that point.

Q. I would like to see; what was it on February 19th, after deducting the $17,000? A. $22,930.

Q. On the 19th? A. Just a moment, there is another item, $23,745.

Q. You agree with the bank there; take the 26th February after deducting $10,000? A. A credit of $22,140.

Q. That is right; take March 12th? A. We have a credit of $40,680.

Q. That is right; and you deduct an item on the same date of $25,344.80? A. No, that cheque was not charged up in our account until some time afterwards.

Q. When was it charged up? A. Not charged up till the following December, 1907.

Q. The 20th March? A. After payment of $15,000 cheque we have a credit balance of $41,880.

Q. That would be the same as mine, plus this $25,344.80; that will account for the difference? A. Yes.

Q. Going down to the 3rd April after paying $25,605.81 what balance did you have? A. There are two cheques making up that total, one cheque $10,000 on the 9th, and one for $15,605.81 paid on the 8th; and the balance would exactly equal the $25,344.80, which should have been charged up on the 12th March.

Q. Does that cheque which you have just mentioned which paid off the $25,000 loan, the $2,380 loan and some other amounts? A. That is the balance of those loans after applying the eighty thousand some odd dollars, in account No. 1100 I think it was.

Q. That item was $25,344.80 with the deposit account of your own beginning in January and ending in April shows deposits by the bank exactly equal to the

$80,605.81 which was the amount of the loan as reversed on the 17th or 18th December? A. I had not noticed that before; probably it does. It amounts to about one hundred and five thousand some odd dollars I see by the pencil totals in here.

Q. You deduct $25,344 and tell me what that deposit account amounted to? A. We do not keep books that way.

Q. I ask you to do it? A. I will total these up myself if you wish.

Q. The balance is there in pencil? A. I see a total in here, I cannot say as to its correctness.

Q. How much? A. It looks to be $105,950.61.

Q. Figure it out? A. It would make a difference of $80,605.81.

Q. That is exactly the amount which the $80,000 loan stood on December 17th? A. That is a coincidence I had never noticed before.

Q. Do you know how those various cheques in that account were made, $3,000, $17,000 and $10,000?

Q. Yes, the Farmers Bank drew cheques on us for those various amounts, and cheques were paid by us.

Q. And you paid your cheque to them? A. We did what they call cleared those cheques by issuing cheques on the Bank of Montreal, the Bank of Montreal would pay them in legal tender, bank tender.

Q. What connection is there between that account and the account No. 1100? A. No connection whatever.

Q. Merely a coincidence that it exactly pays the amount that was reversed on that day? A. I termed it a coincidence.

Q. At all events from your books it would appear that they deposited that amount with you plus this $25,344.80, and drew it out? A. Yes.

Q. Then that account No. 1100 would still be to their credit? A. Yes, that was closed up.

Q. How was that paid? A. My recollection is that it was paid by way of a cheque; I have not located that cheque.

Q. Look and see how it was closed up? A. That was closed out December 17th, the same as the other.

Q. No, that is the time it began? A. I am speaking of a year later.

Q. I am speaking of No. 1100? A. I was too.

Q. How was that account closed out? A. That was closed out by the balance at the credit being applied on the loan account, that is the effect of it.

Q. How was it marked closed in your books? A. Through debiting an amount equal to the credit balance.

Q. Where is the debit from? A. The debit is to the deposit account of the Farmers Bank of Canada.

Q. Account 1100 shows to the credit of the Farmers Bank of Canada eighty thousand odd dollars? A. Yes.

Q. How did they get that from you? A. My recollection is there is a cheque issued in favor of the Trusts & Guarantee Company signed by the Farmers Bank for the amount of this account, that is $80,605.

Q. You think there was a cheque? A. Yes, that is my recollection, but we have not located the cheque.

Q. Signed by the bank on your account? A. The account with us.

Q. That cheque would be presented to you, you would give the equivalent? A. No, it was given to us in our favor to retire the loan.

Q. I thought that was a credit to the Farmers Bank? A. The amount at the credit of the Farmers Bank account was a credit to the Farmers Bank.

MR. COMMISSIONER: It went to pay Travers' loan? A. Yes.

Q. Travers' loan was re-set up and he drew that money and paid the loan up? A. They paid the loan with it.

MR. HODGINS: That account of 1100 shows credit to the Farmers Bank, not Travers at all? A. Certainly.

Q. Is your explanation that the way that was got rid of was by a cross entry? A. It was not gotten rid of at all, it was checked out by a cheque so far as the Farmers Bank is concerned, it was checked right out.

Q. Let me see the record of that.

MR. COMMISSIONER: The way they were treating the transaction, Travers loan remained on foot just as it did with the $80,000 odd dollars due on it. and you had that much to the credit of the Farmers Bank; they drew the money and Travers' debt was paid with that? A. Yes.

MR. HODGINS: I should like him to verify that; you see this account 1100 is transferred to new ledger, $80,777.36, and that does not close the account? A. This book was in effect done away with and a loose leaf system put in; this shows the transfer into the new ledger. Referring to account, to identify it, as F. 2, that shows the transfer from page 1100 of the old ledger of the credit of $80,777.36; Then there is a debit in this same account on December 13th, 1907, $80,777.36. Of that $80,777.36 there is a certain amount for accrued interest which was at that time reversed. Our books show that.

Q. When was that paid, December 13th. 1907? A. That is when the entry went through there, but as a matter of fact it was paid on March 12th, 1907, but the entry did not go through our books, by apparent carelessness.

Q. Whose apparent carelessness? A. Of the office.

Q. Is that your explanation of it? A. Yes.

Q. From March to November it appeared in your books the Farmers Bank had a credit with you of eighty thousand odd dollars? A. Yes, but we had their cheque for it, and a cheque for the $25,344——

Q. You say it should have been paid on the 12th March? A. The 12th March.

Q. What cheque went through? A. Both cheques. $80.000 and the $25,000.

Q. That shows $25,344, cheque went through in December; I would like to see the cheque? A. It is produced.

Q. Have you located the $80,000? A. No.

Q. Does it appear here as a cheque; you see December 13th, cheque $25,344; does it appear in F. 2 as a cheque—it does not appear to me to read that way? A. It is marked "Paid to call loans."

Q. There never was a cheque? A. My recollection is there was. I have a distinct recollection of that.

Q. That is just a cross entry? A. No, I would not say so.

Q. Did that come from anywhere—is that from call loans or transfer call loans? A. No, on a slip——. I should go back and say that in a system such as we had in vogue in our office at that time where a cheque came in drawn on the Trusts & Guarantee Company in payment of some other item, some item owing to the Trusts Company that both the credit as in this case to call loans and the debit to deposits would go through on the same slip.

Q. A slip not a cheque? A. The slip is part of the internal system of the Trusts Company.

Q. I am not interested in that particular; I am asking whether there was ever a cheque for that $80,000? A. I think my recollection is very clear that it was a cheque.

Q. And it was not put through apparently through the books in the way of entries till December 13th. 1907? A. It was not put through, no.

Q. And the cheque has never been seen? A. I have a very clear recollection of seeing the cheque at that time, but we were not able to produce that cheque at this time, no doubt it was returned to the Farmers Bank.

Q. Did you ever give evidence to this effect before in the cases you were called? A. I do not think I was ever asked the questions in the same way.

Q. Did you ever give evidence as to that? A. In these cases?

Q. Yes? A. Yes.

Q. Did you ever state there was a cheque? A. I think so, I think that is my recollection; if I were asked a question so as to bring that up, I would.

Q. What cases did you give evidence in? A. The case of The King v. Stratton and Warren.

Q. And the other case of Warren and Morden? A. No.

MR. COMMISSIONER: I suppose you think it important, but it does not occur to me to be important whether it was done by cheque or cross entry if it was done with the consent of both parties.

MR. HODGINS: That is where we differ as to the consent of both parties. Our belief is that it was paid in a totally different way and we think the Trusts & Guarantee Company were made use of, or made use of the bank I don't know which, and succeeded in getting hold of a good deal of their assets by way of securities for assistance they should not have given them? A. If we made loans to the Farmers Bank we took legitimate securities, and I think we were quite justified in doing so.

MR. COMMISSIONER: My observation was only directed to this one point, that the deposit account is closed by an entry showing that they paid the Farmers Bank; and the account of Travers is closed also by a corresponding entry to show that his debit has been satisfied? A. Yes.

MR. COMMISSIONER: To my mind it does not make the slightest difference whether that was done by a cross entry or by cheques.

MR. HODGINS: That does not agree with Travers' account of how it was paid off and when.

MR. COMMISSIONER: However, you think it is important.

MR. HELLMUTH: I do not think it is quite fair that statements in reference to the Trusts & Guarantee Company should be made by Counsel that would go broadcast that we have been making money out of the Farmers Bank illegitimately.

MR. HODGINS: I did not make any such statement.

MR. HELLMUTH: You made a statement that was certainly derogatory to the Trusts Company which I do not think ought to have been made now. A. There is absolutely no foundation for the remarks, absolutely none; that is not fair.

MR. HODGINS: That depends altogether on your means of knowledge, which we can judge from the evidence which you have given? A. I think I am closely in touch with the situation.

MR. COMMISSIONER: I think we had better close that incident and get on with the evidence.

MR. HODGINS: Had you anything further to do with the loans that were made with the Trusts & Guarantee Company to the Farmers Bank? A. In what way?

Q. In any way at all, do you know anything about them; were you concerned in them in any way? A. That is a very general question; I could only answer that by going over the file in connection with each loan and pointing out what connection I did have with it.

Q. Do you know anything at all about the fact that the bank commenced to deposit with you circulation? A. No, not particularly.

Q. At some stage? A. At some stage, yes. I know we got circulation at some time, at very much later date than we are now discussing.

Q. What are we now discussing? A. The discussion is now centred upon the organization of the Farmers Bank.

Q. You do not know there was circulation deposited as early as January, 1908, making up that small loan account which we have been discussing? A. I know from our records that bills came in and I also know from my own knowledge that our understanding of the source of that money was the notes were being paid off and——

Q. Will you say you did know that that account which began in January, 1908, with the item of $3,655 was Farmers Bank circulation? A. I will say that I do know it was bills——

Q. Bank bills? A. Yes, possibly Bank of Montreal.

Q. You do not know whether Farmers Bank bills or Bank of Montreal? A. No.

Q. Who had to do with this in your office? A. Probably it would not be noticed.

Q. If you do not know, does any one else know? A. No, six years ago.

Q. Mr. Travers has testified to it, and you do not know and nobody else knows, there is no object in going into it, are you aware that the Trusts & Guarantee Company arranged to receive deposits at the rate of $1,000 a day in Farmers Bank bills? A. At some later date, yes.

Q. In January, 1909? A. Possibly around that date; I do not place the date at all. I know as a fact that we did receive deposits of $1,000 of circulation.

Q. Do you know anything about the terms on which it was received? A. The money came in and was deposited to the credit of the Farmers Bank subject to cheque withdrawal by them at any time; the money was used for the purpose of paying cheques on ourselves and other items over our counter.

Q. Do you know anything about the arrangements made under which that was deposited? A. Nothing further than I understood it was to provide us with circulation to meet our ordinary payments.

Q. Up to that date had you been unable to provide that? A. Before that date we were getting circulation required for the conduct of our business from possibly the Bank of Montreal or the Ontario Bank before they failed, or any other bank.

Q. At the same rate? A. There is no rate in connection with it.

Q. This is $1,000 a day? A. Whatever we required we would draw out, whatever we required.

Q. If you do not remember the amount it is of no consequence; I am asking if it was at the same rate as you commenced to get it from the Farmers Bank? A. We estimated that $1,000 a day would take care of our ordinary demands; before that time we would draw probably five or ten thousand dollars at a time and keep that money in our till until it was exhausted and then we would replace it by another cheque.

Q. Had you anything to do with making arrangements for getting it from the Farmers? A. No.

Q. Who had? A. Mr. Warren, I understand. Excuse me, you say did I have anything to do with arranging to get that circulation of the Farmers Bank; we did not arrange to get it from the Farmers Bank, but they arranged with us that we would pay that out over our counter; that is quite a usual arrangement for a new bank.

Q. Did you have anything to do to make arrangements under which it was received? A. No.

Q. Mr. Warren had? A. Yes, if any arrangement was made.

Q. Did he tell you what the arrangement was? A. Yes, I understood we were to get $1,000 a day.

Q. What interest were you to pay on it? A. My recollection is it was first understood that we should pay 3 or 3½%, but that as we did not get a benefit from it which would be in keeping with the benefit they were getting from the circulation of the currency it was understood later that the interest would be dropped and it was dropped.

Q. How long did the interest arrangement last? A. I cannot recall.

Q. A short time? A. I think it was a short time.

Q. After that you paid no interest on it? A. No, they were reaping the benefit, we were not.

Q. You have the same erroneous notion of benefit? A. It is not an erroneous notion.

Q. You are not a banker? A. I know a little about banking.

Q. You are not a banker? A. I do not know what definition you give to banking.

Q. Then I suppose you are not one? A. I have a great deal to do with banking.

Q. You had very large deposits had you not with the Farmers Bank? A. We had some deposits.

Q. And they reached quite a very large amount? A. That is a relative term, they reached at one time over $100,000.

Q. Would you call that a large amount? A. It is a fairly large amount.

Q. Were you getting interest upon that? A. Yes, we got interest on some of it or all of it I do not recall which.

Q. What rate? A. I think for a time a portion of it, that is the moneys to the credit of our company as liquidators of a certain company bore 4% for a time and then either 3 or 3 1-2% subsequent to that. I do not recall what our own account bore; that is what you might call current account.

Q. That lasted all the way through, didn't it, until you consolidated part of it in a loan? A. I do not recall that.

Q. You were getting interest on your balances all the time? A. I do not recall that personally.

Q. Who does know? A. I can probably find from the books.

Q. Do you not know yourself? A. I do not recall it; I do recall that we got interest on this special account, that is the liquidation account, but as to what you might call a current account I do not know whether we got interest or not.

Q. You might look that up. After the time you ceased paying interest on deposits of circulation, if you were receiving interest upon your deposits with the bank and the two accounts were pretty nearly equal, you would get very handsome interest? A. We were not getting benefit from interest on the liquidation account, that is as a corporation; the liquidation account got the credit for that interest.

Q. No part of it? A. No part of that interest.

Q. Whatever interest was allocated to that, would go——? A. To the Trusts.

Q. And you know you got interest on that? A. Yes.

Q. And accounted for that to the Trusts? A. Yes.

Q. As to your ordinary account or savings account? A. That is a matter of calculation, it does not appear on the face of our books there. I see certain entries for interest, but just what periods it would cover I cannot say. It would appear from this record that we did get interest on our current account. I have no doubt we got interest on it; I would naturally expect we did.

Q. If you were paying no interest on the amounts deposited with you from time to time, which I understand you were using and circulating, and they were about equal to the amount the bank owed you, you would be getting pretty handsome profits on the transaction? A. I have explained the principal portion of the moneys on deposit with the Farmers Bank to our credit were trust funds in which we reaped no benefit.

Q. I would agree to that to the extent of one-half? A. I would think the proportion is much greater than that.

Q. However, let that go; we can easily verify that. Even if that be eliminated you would be making a pretty handsome profit on the difference, would not you? A. In business you expect to get consideration for what you do. We knew that the Farmers Bank were making a large profit out of having their circulation out; it is a well-known fact that circulation is worth so much to every bank.

Q. We threshed that out with Mr. Travers and we do not agree to that; at all events the matter went on and it was turned into the shape of a loan afterwards, was it not? A. In November, 1910, a new advance, a new loan was made to the Farmers Bank of Canada for $295,000.

Q. Yes, but much earlier than that, did not you in the place of having an ordinary deposit, did you not have a loan, did you not make them loans? A. They

applied to us for certain loans, and the security being satisfactory the loans were made.

Q. And on those interest was received? A. Yes.

Q. Did you at any time turn the current account into a deposit receipt? A. We took out a deposit receipt in respect of moneys to our credit with them in respect of the liquidation I spoke of.

Q. You must have had $120,000 in the Hamilton Estate? A. Yes. I am just told that our deposit receipt covered both our current account and the Hamilton account.

Q. How do you put it now? A. I am told by our accountant who is more familiar possibly with that end of it than I was——

Q. Who is your accountant? A. Mr. Howard.

Q. It would appear you had $64,000 odd to the credit of the Hamilton Estate and $57,000 odd to the credit of your savings account, so that the $120,000 deposit receipt would cover both? A. Yes, no doubt that is what it was.

Q. How much did that bear, 4% that deposit receipt? A. I do not recall; whatever the bank books show is no doubt right.

Q. What was the object in making that change? A. I do not know.

Q. Who made it? A. That was made by Mr. Warren, or at least I expect it was, I do not know about that.

Q. What was the next transaction dealing with the form of the loan? A. That deposit receipt has nothing to do with any loan.

Q. I did not say it had: I am asking you what is the next transaction with them connected with the loan? A. We advanced them $75,000 on certain securities and $100,000 in another case.

Q. They were both prior to this occasion, were not they? A. I do not remember the date we got that deposit receipt, so I cannot say whether it was prior or subsequent.

Q. Those were both advances in money? A. Yes, that is moneys went to the credit of the bank.

Q. Later on after this deposit receipt was given what occurred then? A. The mere fact we took a deposit receipt I do not think alters the situation so far as the bank is concerned.

Q. After that what occurred with regard to the loan? A. I attach no significance to the issue of the deposit receipt; therefore I cannot answer your question unless you put it differently.

Q. Assuming the deposit receipt has no significance, did you make any loan arrangement with them afterwards? A. I made two loans, the loans I have spoken of, and then in November, 1910, we made them an additional advance, a new loan of $295,000 in total. That money went to their credit. They issued cheques against it paying off the amount due on the $75,000 loan and the $100,000 loan, and if I remember they paid off a certain amount that was in deposit with them.

Q. Are you speaking from your own knowledge or just from the books? A. I am speaking both from my own knowledge and from the books.

Q. Had you previous to that made any loan to them? A. We advanced $75,000 to the Farmers Bank of Canada, February 5th, the year is not marked in the account here, on the security of 1,200 shares of the American Piano Company's stock preferred. We made a further loan to the Farmers Bank of Canada of $100,000 under date of August 5th, 1910, on bonds of the Keeley Mine of the face value of $1,000,000. On November 2nd, 1910, we made a loan to the Farmers Bank of $295,000.

Q. What is the date of that loan? A. November 2nd, 1910.

Q. Had you to do with the negotiation of that loan? A. No, but I was in touch with the officers through whom it was negotiated.

Q. Who negotiated it? A. That was arranged by Mr. Morden, who was then our assistant general manager, and Mr. Wilson, who was our solicitor, called in at

this particular stage or shortly before it, rather, and possibly Mr. Stratton had something to do with it, I was consulted about the loan as it had to do with my end of the business.

Q. On what terms was it put through? A. Seven per cent interest payable on demand.

Q. On what security? A. 1,200 shares American Piano Company's preferred stock, 10 Keeley Mine bonds of $100,000 each, and the pledge of course of the Farmers Bank of Canada.

Q. Anything else? A. I just read from the original agreement. The following security: Bonds of the Keeley Mine, Nos. 1 to 10 inclusive; par value $100,000 each, with coupons attached; and 1,200 shares of the American Piano Company's preferred stock carrying 7% quarterly dividends, and promissory notes and bills receivable payable to the bank by customers which notes or bills receivable amount to $108,129.70, and are scheduled and delivered by the bank to the company, together with any moneys held by the company on deposit or otherwise for the undersigned now or hereafter and including also any promissory notes, bills, stock, bonds or other securities which the undersigned may now or hereafter deliver to or deposit with the Trusts Company." That is signed by the Farmers Bank of Canada.

Q. That is the whole security? A. Then they also covenant to repay this loan.

Q. Was that the whole security? A. That was the security for the $295,000 advance; then we have a demand note signed by the Farmers Bank of Canada for a like amount, dated November 2nd, the same date as the agreement.

Q. Was that the whole security you have mentioned? A. That was the whole security for that particular advance.

Q. So far as you know? A. Yes.

Q. So far as was told to you? A. I say positively that is all the security we got.

Q. Is it the case there was any Keeley stock? A. There was some Keeley stock—no, not in connection with this particular loan, at the time the $100,000 loan went through, Mr. Warren arranged for a bonus of 25,000 shares of the Keeley Mine stock, that to be in addition to the interest called for by the agreement.

Q. How many shares? A. $25,000.

Q. What was that for? A. That was as a bonus in addition to the interest; that is a consideration to us.

Q. You were to have that out and out? A. Yes.

Q. What else with regard to stock of the Keeley Mine? A. That is all I have any knowledge of.

Q. You did not know of any amount of $50,000 of stock? A. Not at that particular stage. I know there was stock handed in to the Trusts Company after that.

Q. By whom? A. By Mr. Stratton.

Q. Held by him how? A. I understood it was in trust for the Trusts Company.

Q. When did you get that? A. I think it was somewhere around that time.

Q. About what time? A. About the time of this loan being made or shortly afterwards.

Q. Which loan? A. $100,000.

Q. That was handed in by him without any reference to the loan? A. Yes, I took it that was to be further bonus, not arranged with Mr. Warren, but with Mr. Stratton.

MR. COMMISSIONER: Bonus or security? A. Bonus.

Q. You said security before? A. It was my mistake, I meant bonus.

MR. HODGINS: What became of that when the $295,000 loan was arranged? A. The stock was still in our possession at that time.

Q. It would not be considered security for the $100,000 loan or it would have been returned? A. We returned it when the loans were finally paid off, because we did not consider that any value to us.

Q. It was not taken in when you made the $295,000 loan as security? A. It was not considered by us as security at all, but as a bonus.

Q. That loan paid off the deposit receipt and interest and the $75.000 and the $100,000 loan and $5,000 of savings bank? A. It paid off the $100,000 loan, the $120.000 deposit and the deposit account with us, that credit balance of $70,000 that was checked out by them in favor of the Trusts Company as partial payment of the $75,000 loan; that left a balance due on the $75.000 loan of the principal including interest of $5.000 odd dollars; we got a cheque for that, cleaning it up.

Q. How much would that leave to the credit of the bank in your books? A. $63,000 odd dollars.

Q. Left $63,000 to the credit of the bank? A. Yes.

Q. At the time that loan went through what did you know if you knew anything about the condition of the bank? A. We regarded the bank as being in fairly good shape, subject to opposition on the part of other banks, but I think every one in connection with our company thought the bank was doing fairly good.

Q. On the 6th December, 1910? A. Yes; their statements looked good.

Q. So far as you heard from any of these gentlemen named, Morden, Wilson, Stratton, you thought the bank was perfectly solvent and was doing a good business? A. Yes; I do not say they were doing a particularly good business, but they seemed to be getting along fairly well considering the position they were up against.

Q. If they thought different at that time they did not reveal it to you? A. I do not think they did think differently.

Q. Answer the question? A. They did not.

MR. COMMISSIONER: Who do you mean by they? A. Mr. Morden and Mr. Wilson and Mr. Stratton. Any discussion we had, the question of the weakness of the bank was never discussed.

Q. How was that $63,000 in what shape was it? A. That was a deposit to their credit.

Q. Was it in their circulation in your vaults? A. No, I do not think so.

Q. Do you know what it consisted of? A. That $63,000 was a balance to the credit of the Farmers Bank subject to withdrawal by them at any time.

Q. And they were able to check it up without any trouble? A. With all deposits we reserve the right to demand certain notice.

Q. This specific sum were they able to check it out without difficulty afterwards? A. Sometimes they would come down with cheques for say five or ten or fifteen thousand dollars, and we would tell them they had not given us any notice according to the understanding.

Q. What was the understanding? A. That was the only difficulty that arose that understanding they should give us reasonable notice of all large withdrawals so that we could make arrangements.

Q. I understood you loaned them $295,000 and got security for it, and then this $63,000 was the balance to their credit, why should not they draw it out immediately? A. They could draw it out; as a matter of fact we had a lien on that according to this loan agreement I have read.

Q. Was that the difficulty? A. We kept in mind we had a lien on that account, and we would have more than an ordinary say as to how that should go out. All financial institutions like to have fairly reasonable notice of all withdrawals. The notice was what we had in mind particularly.

Q. You insisted on the notice? A. No, not in all cases.

Q. What was the reason in other cases where you did not insist upon the notice? A. I do not quite grasp your question.

Q. You say you did not insist upon the notice in all cases; what reason did you give? A. When we did not insist upon the notice we had lots of money available and paid it out; it did not make a pin's difference to us.

Q. You did not ask them for additional security when they came down to cash a cheque? A. When they wanted more money than we felt inclined to give them we would ask them for more security.

Q. They had difficulty in drawing this out, this $63,000? A. I would not say they had any real monumental difficulty.

Q. Did they finally get it all? A. They had a credit in the books at the date of the failure of the bank, $4,596. It ran through my mind that they drew out all this money with the exception of 59 cents at one time.

Q. That is fine for the liquidator.

(Mr. G. T. Clarkson, the liquidator, makes a remark to Mr. Hodgins).

WITNESS: They had this balance you are speaking of down as low as 59 cents at one stage. I heard Mr. Clarkson's remark; there are two items of $5,000 each in transit to Calgary; we did not credit those up to the Farmers Bank until we got advice from Calgary that they had received $5,000 advising us in effect to charge our Calgary branch in our head office books with this $5,000 and credit the Farmers Bank of Canada.

Q. Those two items were remitted in Farmers Bank circulation? A. Yes.

Q. Were they left in your hands in the Calgary branch at the failure? A. I do not recollect; we had somewhere between $5,000 and $10,000 between the two offices in circulation.

Q. At the time of the failure? A. Yes.

Q. For which you have a claim? A. I think all that cash was distributed, nobody had any objection to taking Farmers Bank bills.

Q. You think you got rid of it after the failure? A. Yes, some of it.

The Commission adjourned at 4 p.m. to 11 a.m. tomorrow.

TORONTO, May 23rd, 1912.

The Commission resumed at 11 a.m. at Osgoode Hall.

PRESENT: Hon. Sir William Meredith, Commissioner; Frank E. Hodgins, K.C., and John Thompson, K.C., Counsel representing the Dominion Government; I. F. Hellmuth, K.C., representing the Trusts & Guarantee Co.

EDWARD B. STOCKDALE, Examination continued:—

MR. HODGINS: Did you read through that evidence I gave you? A. Yes.

Q. And having read that, do you find any reference——? A. I found no reference to the loan agreement for $80,000.

Q. To what you call the hypothecation agreement? A. Yes.

Q. Have you a copy of it? A. We could not locate that. I had a thorough search made for it and we do not seem to have a copy made of it. I no doubt have that loan agreement so far as the production of it is concerned confused with the other loan agreement.

Q. There is one for the $20,000 loan, but I think I am right in suggesting that there was no formal hypothecation beyond that letter connected with the $80,000? A. I say most emphatically there was.

Q. You have, and I think produced yesterday a list of the notes, didn't you, that were hypothecated for the $80,000? A. No, but the evidence shows that a list which I then described as a partial list of the notes given us at that time was produced.

Q. Yes, we have that; I am asking you if you took at that time a list of the notes that were hypothecated? A. The letter itself would show there was a list of notes at that time; we have no list in our office.

Q. I am asking you if you took a list at the time? A. No record of ours, because we had the notes themselves.

Q. Did you take a list at the time of the notes? A. In any record?

Q. Or on any piece of paper? A. We had a list of notes produced at that time shown by the documentary evidence that is already before this Commission furnished us, as I then said in that document by the provisional directors.

Q. You are referring to that letter of October 11th? A. Yes.

Q. That you say is the list of notes; have you any independent recollection, beyond what you are speaking of as shown by the documentary evidence, that you made out a list? A. No, I would say without a shadow of doubt that I did not make out a list; I would not duplicate the list produced.

Q. You would assume from what you see that there must have been a list in order to arrive at the total? A. Yes, unquestionably.

Q. Although you cannot say whether there was or whether the total was merely given to you? A. There was a list; the documentary evidence would show that; I could not tell of my own independent knowledge; I base my present statement on the letter, on the receipt produced.

Q. You think from that there must have been a list? A. Yes.

Q. I thought you produced and said you had a list of notes yesterday, I may be mistaken, among your papers? A. No, that is a list made up in our account, but that is not a list made up at the time the loan was made.

Q. What became of the notes themselves after the loan was made? A. We would hold the notes.

Q. You held the notes? A. Yes.

Q. For how long? A. We received altogether $100,955 of notes in respect of the $80,000 loan; then with respect to the $20.000 we received $26,500 of notes and certain stock; we received $4,250 notes in respect of $2,380 loan, making a total between the notes and the stock I spoke of of approximately $150,000.

Q. Notes and what? A. That is the notes and the Canadian Loan and Savings Company's stock that was hypothecated. On March 6th, 1907, we returned $4,450 of notes; on March 4th we returned $770 of notes; on February 26th we returned $32,300, and then in addition to all this we had Mr. Travers' own personal note for $81,000.

Q. Did you have any further returns of notes; just give them in order? A. March 12th we appear to have returned the balance of the notes in our possession.

Q. Amounting to how much? A. This seems to total up to about $160,000.

Q. That is the amount you returned? A. This is headed up—I am not saying that this is what we returned at this time—but this is a list I found among our papers headed up in this way: "List of notes, re Travers loan, March 12th, 1907."

MR. COMMISSIONER: Is the last item a $5,000 note? A. Yes.

MR. COMMISSIONER: That is the same as the list, EXHIBIT 44.

MR. HODGINS: The question I asked you was, what was the total amount of the notes you returned on the last occasion, is that an answer to the question? A. That is the best answer I can give you at the moment.

Q. That is, this list will show as to the amount? A. I would assume so, although I cannot speak positively from my own recollection. This appears to be a list of notes as of that date.

Q. This was produced in the County Judge's Criminal Court as being the property of the Trusts Company as produced by the Crown? A. Yes, that is a copy of what I have before me; it totals up $166,000.

Q. Was that prepared for you by the Crown in that case? A. No, it was taken out of our files and handed over for what it was worth.

Q. In whose handwriting is this, "Travers Loan" (at the left hand top corner)? A. That was a former employee of ours; I recall the handwriting.

Q. What was his name? A. I do not recall the name.

Q. There is struck out of that "delivered to the Farmers Bank," and re Travers written in pencil? A. That is for our file. (Referring to heading of list.)

Q. Who did that? A. Part of that is my own writing.

Q. Which part? A. "Re" and "loan"; and then "Travers" is Mr. Warren's writing, at least it looks like it.

Q. Not yours at all events? A. No.

Q. I see there is a mysterious "C" in the corner? A. I do not see anything mysterious about it. It looks like a "C".

Q. We are interested in that letter just now; there are three notes struck out there "F. W. Stair," "W. J. Lindsay" and "W. R. Travers," and they appear to be deducted in some pencilling at the bottom; do you know anything about that? A. The Stair note and the Lindsay note I think related to a different loan, to the $20,500 loan and the $81,000 Travers note; I cannot say why it was struck out of that.

MR. COMMISSIONER: It was not one of the collateral notes; it was the note for the loan? A. Yes, possibly that was the reason for it.

MR. HODGINS: What is the $11,500? A. That is the amount of the Lindsay and Stair notes.

Q. Who did this pencilling here at the bottom? A. I do not know; I do not recognize the figures.

Q. This was, you say, taken from your file and handed over to the Crown Officers? A. Yes, we gave them copies of everything we could find in our office relating to the Farmers Bank.

Q. This is really a duplicate of what you have before you there as the list of notes you were telling us about? A. This appears to be a copy of that.

Q. You have before you a list of the dates at which you returned those notes? A. I pencilled that down the other day for my own reference.

Q. You gave them in reverse order of date? A. Yes.

Q. Would you say looking at this document of March 12th, 1907, all the notes that relate to this $80,000 loan were returned? A. I would not say that, not on that, but I would say Mr. Travers would no doubt see that he got all the notes back; possibly he also got that loan agreement back at that time.

Q. How much does the total of those three dates you gave me, February 26th, March 4th and March 6th amount to? A. They amount to $37,500.

Q. And this would amount, if this pencilling is right, to $63,600 (on EXHIBIT 44)? A. Yes.

Q. That would be about $100,000 of notes? A. Yes.

Q. And you had originally $100,955? A. So that would practically account for them all.

Q. On March 12th? A. Yes.

Q. You had parted with all the notes before April 8th, which appears from my recollection of the books to be the date at which that $25,605.81 cheque went through? A. That is the date when the Farmers Bank closed out the deposit account you are speaking of.

Q. Before that date? A. It was before that date our notes were returned.

Q. Did you get back any of the proceeds of that $100,000 note after you handed them back to Mr. Travers? A. We got payment of our loan; we were not interested further in the notes.

Q. The deposits of circulation I suppose were kept track of in some account in your books; my recollection is it began in January, 1909, or January, 1908, at the rate of $1,000 a day? A. I do not recall the day he commenced; I do recall that we got $1,000 a day at some time.

Q. You recall the fact that an account was kept of that in your books? A. I do not think any account would be kept of it; we would take it in as so much cash and it would only form part of our general cash in the till.

Q. I thought it was credited up to the Farmers Bank in the books? A. The amount was, yes. (Turns up book).

Q. When did it begin? A. It began apparently on January 12th, 1909.

Q. It is just I suppose in the form of a credit? A. Yes.

Q. The credit increases every day? A. Yes.

Q. Will this account show the cheques that were given against it? A. It should; it will show their withdrawals and any cheques against it.

Q. I thought you said that they deposited and that you gave them your cheque on the Bank of Montreal? A. They drew on us the same way as you would draw on your own deposit account wherever you had it.

Q. How did they do it? A. By issuing a cheque drawn on the Trusts & Guarantee Company for so much.

Q. Would you give them so much money or a cheque on your bank? A. We might give them money, but usually we would clear a cheque of that nature by giving them a cheque on the Bank of Montreal.

Q. When did they first draw on that account? A. The first one is August 30th, 1909.

Q. What is the beginning? A. 12th January, 1909.

Q. From then up to August 30th there was nothing drawn from that account at all? A. No.

Q. The 14th September $50,000; there appears to be quite an hiatus and no further drawing for some time apparently? A. Not for some time.

Q. Till December, $50,000? A. Yes.

Q. And three in January? A. Yes.

Q. And one in February; they do not appear to have been very active in drawing for that and getting legals; it appears to have been fairly inactive account? A. Yes, at that time.

Q. During the first year then they could not have been in need of many legals? A. I do not know what they were in need of; we had a deposit to their credit, and it was subject to their withdrawal, and when they drew we paid their cheques.

Q. I thought perhaps you could tell, if not, all right? A. I knew nothing of the internal management of the Farmers Bank.

Q. Will you let me have, without going over it, just a list of the dates that they so withdrew; you can put that in afterwards? A. All right.

MR. COMMISSIONER: Put the first entry on the credit side and the last entry, and the withdrawals separate? A. Very well.

MR. HODGINS: Just to revert for the moment to that $80,000, did you find last night any cheque which you thought closed that? A. No, I have searched for that cheque before.

Q. The mode of dealing between you and the bank was that the bank would give a cheque on you and you would give a cheque on your bank, that appears to have been followed out in connection with this $80,000 loan in the cheques we have here? A. No, I did not say that before, that is not shown by any evidence.

Q. I am suggesting this to you, if there had been any such cheque it would have been a cheque of the Farmers Bank on you? A. Yes.

Q. And then your cheque on your own bank? A. No, not at all; if they gave us a cheque on their own deposit account that was payable to us, so that why in the world would we issue a cheque on the Bank of Montreal and cash it in out of our account down there, and put it back again into the account in the Bank of Montreal?

Q. Look at 57 and 58, I think those are the cheques that we traced up yesterday in that account which began in January and ended in April? A. No, this is a different account I think.

Q. No? A. Yes, a different account entirely.

Q. From what? A. From the one we were discussing a moment ago.

Q. I speak of one in January? A. You spoke of circulation account.

Q. I am speaking of the account I mentioned yesterday, you know the account? A. Yes.

Q. Are those the cheques that deal with it? A. Yes.

Q. Do those cheques appear to be cheques in the first place, by the bank on you? A. Yes.

Q. And then your cheques in favor of the Union Bank? A. Clearing the Farmers Bank cheques drawn on their deposit account with us.

Q. I asked you if there was a cheque for the $80,000 would not there be one cheque of the Farmers Bank on you and the other your cheque in favor of the Union Bank to be looked for? A. No, positively not.

Q. Then you would not follow the same rule in closing out that $80,000? A. Why should we?

Q. I do not know? A. I explained it a minute ago in simple terms.

Q. I do not see why if that was the course adopted between the bank and the company that you should say now there was one $80,000 cheque to close that if in December, 1907, the Farmers Bank would not have given a cheque on you and you would not have given a cheque on the Union Bank? A. The only cheque—we give a cheque on the Bank of Montreal, not on the Union Bank as you say now.

Q. I mean in favour of the Union Bank? A. To clear a cheque drawn on us is when the cheque that is drawn on us is payable to some one other than ourselves. If the Farmers Bank had drawn a cheque in favor of the Trusts Company on the deposit account with the Trusts Company and the Trusts Company went through the same process here, that is of making out one of our cheques on the Bank of Montreal payable to ourselves, we would have drawn the money out of the Bank of Montreal and turned around and deposited it in the Bank of Montreal.

Q. What we would expect to find would not be in your company at all, but a cheque of the Farmers Bank on you which would be returned to them? A. Yes, it is usual to return paid cheques.

Q. If we do not find any such cheque, there would be nothing in your record to suggest—— A. We have not got it.

Q. That it was paid by cheque? A. Well, it would not be paid by cheque, that is it would not be paid to ourselves by cheque on our deposit account in the Bank of Montreal.

Q. Are you familiar enough with the circulation account that you were good enough to procure of the entries in, to say whether towards the closing months that became an active account? A. I can give you a copy of that deposit account from beginning to end, of every deposit account for that matter.

Q. I quite appreciate that? A. You are terming a certain account circulation account.

Q. Are you familiar enough to throw any light upon it as to whether it was active or inactive towards its close? A. It was active; that is comparatively active; the ledger shows that.

Q. During the last few months? A. If you mean by active a lot of withdrawals, yes.

Q. That is what I do mean? A. But there is no account that I identify by the name of circulation other than the one I have spoken of here, and that for a time the deposit consisted of circulation to my knowledge; but the active deposit account that ran through to the time of the failure of the bank was not a circulation account, because they put in foreign exchange and cheques and so forth as well as a certain amount of circulation; it was a mixed deposit slip.

Q. You do not want to give us the impression that circulation ceased to be deposited to the same extent in the last few months? A. I am not giving that impression at all.

Q. It still kept up, at its usual current, but in addition to that there were other deposits made with you? A. There were deposits made with us, consisting of circulation, foreign exchange.

Q. And various other things? A. Yes.

Q. What I am calling circulation account is it began that way, but other matters got in towards the close owing to certain circumstances? A. We had several different accounts, but they all merged into one another.

Q. Merged when? A. Either closed out or merged.

Q. When? A. Different times, the books would have to show that.

Q. What was the surviving account, the one called circulation originally? A. There was no account in our books called circulation.

Q. What did you call it? A. We called it ordinary deposit account, the account that was in existence at the time of the failure of the Farmers Bank is the one that was opened on November 2nd, 1910, by the deposit to the credit of the Farmers Bank of $295,000 the proceeds of a loan made at that time.

Q. Would it be from that date that other things besides circulation were deposited? A. I think that would apply to the account generally speaking for the last two or three years.

Q. What would apply to the account? A. That is that there was not only what you call circulation but also foreign exchange, other items, cheques and one thing and another.

Q. Will you kindly look at your account and see if you can find anything at all that gives the slightest warrant for that assumption? A. It is not assumption on my part.

Q. It is knowledge then? A. Yes.

Q. Then point out an item in the account from the beginning until the closing months that would show foreign exchange? A. I have a slip here right before me dated July 22nd, 1910, showing a cheque of $10,000 which was deposited with us.

Q. That is 1910, and the bank closed December 19th, 1910; you said it would apply to two or three years? A. I would have to hunt through a host of deposits.

Q. I would be glad to give you the opportunity of verifying that statement? A. I will have to look back over these accounts.

Q. I think you could probably do that later on? A. 1909 there is one account here showing I would say from the face of it practically always in the nature of what you call circulation.

MR. COMMISSIONER: I do not think it is well to take up a lot of time examining these things: let the witness inform himself? A. I can say now the accounts would show it was circulation up to 1910. I thought it dated back beyond that, but it is 1910 that the other items apparently commenced coming in. Prior to that the items were very small amounts.

Q. The time would be just about the item you have given us in July, that was near the time when the $100,000 loan was made. Going back to the $80,000 loan was anything supplied to you except the notes? A. I do not recall anything else.

MR. COMMISSIONER: What does that "C" in the corner of one of those documents mean? (Exhibit 44). A. That "C" was not put on in our office. I

handed these documents myself to Inspector Duncan and I know for a fact that was not on then.

Q. When you handed it to Duncan? A. Yes; I think that is who I handed it to in the first place.

Q. This correspondence shows that changes were made in the notes from time to time, notes withdrawn and others substituted? A. Yes.

WILSON S. MORDEN, Sworn, Examined by:—

Mr. Hodgins: Were you connected with the Trusts & Guarantee Company in 1906? A. Yes, sir.

Q. When did you join it? A. 1st September, 1910.

Q. What had you been doing previous to that? A. Practising law.

Q. I suppose you knew nothing of the affairs between the company and the Farmers Bank till you got there? A. Nothing whatever at that time.

Q. You interested yourself, however, in the matter? A. Not for some weeks, no. I went there on the 1st September and I went there primarily to look after the estates and so on, and I went at a time—I commenced my duties at a time when Mr. Warren, the general manager, was absent to the Coast, and I simply broused about for a few weeks to get in touch with the office and it was not till some time in October that I remember the Farmers Bank came to my attention in any way there.

Q. What was your position in the company? A. Assistant General Manager.

Q. When did you first learn that circulation was coming in on deposit? A. I should think about the time that I looked into the general situation, sometime in October. I knew from the fact that I drew cheques on the Trusts & Guarantee Company from my personal account that I was paid Farmers Bank bills in that way.

Q. That is prior to your coming there? A. No, at the time after I came in; but with the details of the banking I did not know anything about this for some weeks.

Q. You became aware that circulation had been deposited with your company, Farmers Bank circulation? A. Yes, I knew they had to use some bills, I knew as a matter of fact the first thing that came to my knowledge was that they were paying to customers principally at least anyway Farmers Bank bills.

Q. You learned they were making regular deposits every day with you of their circulation? A. I should say I did, some time in October, yes.

Q. Had you anything to do withdrawals, cheques sent down by the Farmers Bank which had been paid by your company as against the deposit account? A. I was occasionally consulted about a cheque, if it was a large amount, the accountant would speak to me.

Q. Who was the accountant? A. Mr. Howard.

Q. Is he there in the office yet? A. Yes, he is here to-day.

Q. What was the necessity or occasion of your being consulted? A. This matter first took an active shape in my mind at least, about the 14th October. There was a meeting of directors on that date and as a matter of form the loan made on the last of July came up for confirmation, I refer now to the loan I think of $100,000; there had been no meeting of the Board apparently during vacation months until the 14th October and at that meeting the loan had been made and was confirmed as a matter of form; but the directors at that time expressed a wish that the matter of the bonds and so on be looked into;—I am speaking now of the $100,000 loan, and it was after that that I fixed that date in my mind as the time I commenced making any inquiries at all as to the position of the Farmers Bank account.

Q. What directors desired it to be looked into? A. This loan on the Keeley Bonds came up along with other mortgage loans, call loans, for confirmation on the agenda that day, and I cannot say what directors particularly spoke of it, there were probably six or seven there and in fact it has been said, and I have no doubt as a matter of personal recollection myself that some of the directors said they would like Mr. Wilson and myself also to look into that loan, it was a large loan and to look into the securities, and so on.

Q. Was anything said at that meeting about a deposit in circulation and cheques, the bank were giving as against it? A. No, I do not think anything came with the deposit account that time.

Q. In October, I think I am right in saying, it became a pretty active account, they were withdrawing considerable amounts? A. Yes; the week following the 14th October, I then looked into the position of the Trust Company and the Farmers Bank accounts, I remember that.

Q. Can you give us in a few words just what you found? A. I found at that time that there was a deposit receipt of $120,000 held by the Trusts & Guarantee Company, issued by the Farmers Bank, and that also there was a current account, I mean a current account in the Farmers Bank at the credit of the Trusts Company of $5,000 or $6,000—it has been stated here a number of times; I also found those two loans, one going back I think to February, $75,000, and the other one of $100,000, and I found a deposit account with the Trusts Company approximately $75,000. I found that position. I looked into those bonds to see if there was a solicitor's letter with them and I mentioned to Mr. Stratton who generally came down during the week that there was not any report on them and so on. I was looking more into the formal side of the loan. That was the first time I met Mr. Travers. I know Mr. Stratton told me he did not know anything about the details, and that Mr. Travers could give them and Mr. Stratton and Mr. Travers and myself had an interview I think about the 21st October, with regard to those bonds, and so on; that is the first I knew much about the situation.

Q. Did you know then that the Trusts & Guarantee Company had a large amount on savings deposit with the Farmers Bank and had also deposited large amounts of the Hamilton Estate funds there? A. I knew nothing about the Hamilton Estate; I knew just what I have told you now on that date, on the 21st October, I think it was of the $120,000 deposit receipt, and the $5,000 current account. That was the situation then; I did not go back into the account to go through a history of it.

Q. What occurred in that interview you had? A. At that interview I asked Mr. Travers about the formalities of these Keeley bonds and who was the solicitor and so on. I had found the bond mortgage and asked him questions of that kind and I think he told me where I would get any information about that; and I also told him—I was quite green at the Trusts Company and banking business and I had come into a situation entirely new—I told him that I thought those two accounts should be balanced off.

Q. Which two accounts? A. I mean the $120,000 and the $75,000 or $80,000; I gave my personal opinion only, and I said I did not think there should be those simultaneous accounts, that wherever the liability was it ought to be placed. I remember expressing myself in that way to Mr. Travers. The way he put it I think Mr. Travers said in his evidence in one place that Mr. Stratton had said that I wanted to withdraw the deposit account; it was not that way; I thought it was an anomalous position from my personal point of view of having two accounts in that way.

Q. The bank owing you and you owing the bank? A. Yes.

Q. You wanted them set off one against the other and the balance struck? A. That is what I suggested at that time; I suggested he should I thought restrict his loans to his customers and adjust this account.

Q. You finally did come to some arrangement with Travers? A. That was a week later.

Q. Anything occur in the week? A. No, I do not think I saw Mr. Travers in that week, I am sure I did not in fact.

Q. Were they withdrawing from the circulation deposit account? A. From the deposit account, the account will show; I might or might not have been consulted. Those things went on pretty much as a matter of routine.

Q. The reason I ask you if you wanted one set off against the other you naturally would want to see which one was depleted or altered? A. Frankly from my point of view I am speaking now again—I am not the Trusts Company or was not the Trusts Company but I was put in a position of responsibility there and I was dealing with it with my own light, I thought that that account should be drawn down, the $75,000 account, that an adjustment should be made; that is my position anyway.

Q. At all events if there was any application for funds out of that it would meet with objection by you? A. I think so, and I fancy—well, the accounts will show whether there was any—

Q. It appears when you made the loan to have amounted to about $75,000? A. Yes.

Q. What was the final outcome of it, did you and Mr. Wilson look into the matter? A. No, after this general discussion I had with Mr. Travers on the 28th October, Mr. Wilson was in Toronto; I remember his coming in the office and I spoke to him that I had got what information I could about the situation, that the directors wanted looked at, and told him now it stood. Mr. Stratton was there too on that occasion. Anyway as a result Mr. Travers telephoned for and he came down and met the three of us. Mr. Travers in his evidence did not mention Mr. Stratton being present. Mr. Travers' attention was not drawn to it or he probably would have recalled it; but Mr. Stratton, Mr. Wilson and myself and Travers were present on the 28th.

Q. And Travers? A. Yes. The whole situation as to the position of the two accounts were gone into, I remember—I might say that Mr. Travers wanted to maintain an account with the balance as a sort of reserve as he called it, the Trusts Company; he seemed to be under the impression that he was not getting quite fair treatment from the other banks, that is the way he expressed himself and I knew nothing about that—that circulation was being dumped on him at unexpected times, and so on, and that was a sort of safety valve, and that was the object of having it—

Q. You were looking at it from the Trusts Company's view? A. Yes.

Q. What did you do finally? A. What was finally done, Mr. Wilson I know objected to the appearance rather of mining bonds, but did not quite like the look of them, and Mr. Travers said he would give them other security that he wanted to maintain a balance there which he could draw upon, and as a matter of discussion the general form of that loan was worked out; he had a balance there theoretically, but it was not a balance that was available to him at that time owing to the position I was taking. Mr. Travers at that time did not feel very kindly towards me; he thought I was unnecessarily officious.

Q. You were not well enough up in banking, that was all. The net result of the loan arrangement that was put through, however, was to leave that account practically, that circulation account, practically in the same shape, was it not? A. It left a balance much the same as the credit of the Farmers Bank, but I say it was a balance which they were allowed to draw down, and it left that available which before was not available, it was there, it was a credit—

Q. That is what I say; you put through your loan in the shape we heard of and you left Mr. Travers in a position to draw on the account, and it was just about the same amount it had been when you took hold of it? A. Only the

account as it stood before, owing to my opposition, was not such as could be drawn against.

Q. And the putting through of this loan got rid of your objections? A. It was understood then that he was allowed—I have the authority of Mr. Stratton and Mr. Wilson that he was allowed to draw down that $70,000 whatever stood to his credit, as a result of our arrangement—

Q. Roughly speaking, it was $75,000 when the loan was made and after the loan was made it was $68,000, according to our figures? A. There may be a variation of a few thousand, yes.

Q. You knew the condition of the bank at that time? A. No, I did not any more than my conversation with Mr. Travers—

Q. Did not Mr. Wilson know it? A. Not from anything he said to me.

Q. Did not Mr. Stratton know it? A. They will have to speak for themselves.

Q. From anything they said to you? A. No.

Q. Did not you realize the straits the bank was in then? A. I did not any more than I asked Mr. Travers at the time I wanted this account balanced—he was the general manager of the bank and I had not met him before, but I practically said I thought the bank should deal on their own resources larger, and I think should restrict their loans to customers; that is the position I took.

Q. That is the natural outsider's view; at all events, you were not aware that the bank was in difficulties? A. No; I had been outside of the city and only knew them as one of the banks, one of the smaller banks.

Q. The loan that was put through, we have heard it described by Mr. Stockdale that it was $295,000? A. Yes.

Q. That took up the deposit receipt of $120,000 and interest and the February loan of $75,000 and interest and the loan of $100,000 which was made in July? A. Yes.

Q. And $5,000 of what is called the savings bank account, Mr. Wilson's law costs and left the credit I have spoken of of about $68,000? A. I think that is the way. There was a cheque issued for the $295,000, I remember.

Q. After that were they allowed to draw readily? A. Yes, sir.

Q. No objections made? A. No, of course it was a disappointment when they drew, I must say; I mean calling on you for $75,000 or $70,000; it was not something that you really anticipated from what Mr. Travers said. He said, "This is getting on to the fall of the year, and my farmers will be depositing and so on, and then the account will grow up".

Q. Nothing was said about moving crops? A. I have heard that story somewhere in the papers, I think.

Q. How did you let him have this $68,000, did he draw practically daily? A. That, according to my recollection, it came in the course of the next ten days.

Q. And in answer to his demands you shipped a considerable amount out West? A. I had nothing to do with that, I did not know anything about that.

Q. Who had to do with that? A. I do not think anything left our office for the West.

Q. Mr. Stockdale said so, I thought? A. I think if you inquire that was sent direct from the bank; the Farmers Bank sent direct to Calgary—I have learned a lot of this since, I did not know of these details.

Q. Am I right in assuming your evidence is, so far as you are concerned, you sent nothing to the West; you gave it to them and what they did with it was their own business? A. No; I honored cheques on the Farmers Bank on this $68,000; I did not give it to them. What was sent to the West was not the proceeds of their cheques on the Trusts & Guarantee Company, as I understand it, but those packages of their own circulation.

Q. That is what I wanted to get at; I understood it was circulation they got back from you? A. No, as far as I knew anything about the circulation—

MR. COMMISSIONER: If you do not know anything about it, there is no use telling us.

MR. HODGINS: Who could tell us whether that is the case or not; who would have been in the office that would have known? A. I think Mr. Howard ought to know.

HORACE A. HOWARD, Sworn, Examined by:—

MR. HODGINS: You are now in the employ of the Trusts & Guarantee Company? A. Yes, sir.

Q. When did you join them? A. I joined the Trusts Company at the end of 1907.

Q. In what capacity? A. Well, when I first went with the company I had no particular capacity, but in the beginning of 1908 I was appointed accountant; I have been accountant ever since.

Q. You were just attached to the office without any designated duties previous to that? A. Yes.

Q. What was Mr. Stockdale's position when you joined? A. Mr. Stockdale at that time, I think, was assistant manager.

Q. Had you, up to the time you were appointed accountant, anything to do with the Farmers Bank matters? A. No.

Q. Did you know as a matter of knowledge there was circulation being deposited with you daily? A. No, I do not think there was any circulation being deposited at that time.

Q. Which time are you speaking of? A. When I first joined the company.

Q. Take the time you were appointed accountant, was it then they commenced to deposit? A. No, there was nothing then.

Q. It was after you were appointed? A. Yes.

Q. At all events, what was your position when they commenced to make these deposits? A. I was still accountant.

Q. Can you tell us what the course of dealing was between the two; generally speaking, the money would come in daily and when they wanted to draw against it, did they send over a cheque? A. Yes, the bank's manager would bring down a deposit in the ordinary course of business; it would be credited to their deposit account; when they wanted money out they presented a cheque to us, and it was in due course paid by a cheque of our bank.

Q. Was any difficulty made down to the middle of 1910, in paying any of their cheques? A. I do not remember of any difficulty, I think that we paid every cheque that they presented.

Q. Do you remember any difficulty arising about July, 1910? A. No, I do not remember any specific difficulty at any time.

Q. You never knew that there was any objection to honoring their cheques? A. The only objection, there would not be an objection at all—it is a rule in our office that a cheque for any large amount usually must be shown to the manager, so that he can see where our money is going and how much of it.

Q. That is not the sort of objection I am speaking of; that would not call Mr. Travers down from the bank to urge the payment of the cheque? A. Oh, no, I do not know that.

Q. Was it your duty to see that the two accounts, that is what the bank had to the credit of the Trusts Company and what the Trusts Company had to the credit of the bank, were kept fairly even? A. Oh, no, I was not responsible for that.

Q. Who would be the one to look after that? A. That would be a matter for the manager.

Q. If the cheques were coming in from time to time reducing the account, would not that be in your department? A. So far as the records were concerned, they would be.

Q. Did you have a custom of reporting daily to the manager on that subject? A. No, we did not report daily.

Q. How would he learn that the accounts varied? He would learn by asking me, and I would give him the information.

Q. If he came and asked you; but you had no system of reporting to him? A. No.

Q. And you kept no account to see that they did not vary, but they were kept fairly even on each side? A. No, I kept no record except that the books showed each day what the balance of each account was.

Q. Do you know anything about the transaction of July, 1910, the $100,000 loan; do you remember that going through? A. I put the entries through.

Q. Had you any information other than what you were told? A. No.

Q. Did you not know of any objection to honoring cheques of the company until quite late in the year 1910? A. No, there was no objection.

Q. That would be right down to the time Mr. Morden came in? A. Yes, the only time, and I do not think that it could be considered an objection, was at the time after the $295,000 loan.

Q. That is what Mr. Morden speaks of; he puts it before the $295,000 loan that when he came he was the one who did the objecting? A. I did not know anything about that.

Q. Was any one else objecting that you know of? A. Not that I know of.

Q. It was after the $295,000 loan that you heard objections? A. Yes, the only objection.

Q. What was the objection and who made it? A. Well, I do not remember the details of the thing, but as I understood the balance that remained at the credit of the Farmers Bank was not to be withdrawn or only withdrawn on the order of the management.

Q. By permission? A. Yes.

Q. And that was adhered to? A. Yes, sir.

Q. Do you know when the cheques came in how they were paid after that time? A. They were almost invariably paid by a cheque on our bank.

Q. Did any circulation of the Farmers Bank go back? A. Back to the Farmers Bank?

Q. Yes? A. No, I do not think so, not at that time.

Q. Would you know? A. Yes.

Q. You do not recall any? A. I do not recall any, I do not know that I have any way of finding that out either.

Q. There were packages sent to your Calgary office and Mr. Morden suggests they were sent by the bank; I want to find out if they were got back from you to the bank? A. No, they did not get anything back from us. The way that Calgary matter was worked, the bank would ship $5,000 to our Calgary office; as soon as our Calgary office received it they would notify us by letter, and we would then know we had received the money and I would give the bank credit for that; but we did not give them back their bills; we simply gave them credit in their deposit account.

Q. That is probably the way it was done; I wanted to be sure it was so done after that last loan? A. Oh, yes, in fact I do not remember any occasion when we gave back the Farmers Bank any bills for any Calgary remittance.

Q. You used them I suppose in the ordinary course of business all the time when they were deposited there in paying out over your counter? A. Yes, we were paying them out every day.

Q. Were you getting circulation from any other bank or was it confined altogether to this and what would come in over your counter from clients? A. We might possibly have got an odd lot from the Bank of Montreal; I would not say we confined ourselves absolutely to Farmers Bank bills, because I don't think we did.

Q. The bulk was Farmers bank bills? A. Yes.

VICTOR BURK, Sworn, Examined by:—

MR. HODGINS: What connection had you with the Farmers Bank? A. I was accountant in the Farmers Bank from July, 1910; before that, other positions in the office.

Q. You became accountant in July, 1910? A. I think around there.

Q. What had you to do with the deposit account and the circulation with the Trusts Company? A. I made nearly all the withdrawals and a number of the deposits.

Q. Did you do that before July, 1910? A. Not to my knowledge.

Q. From that on you did? A. Yes, sir.

Q. Were you there up to the failure of the bank? A. Yes.

Q. You were teller for a short time and previous to that you were discount clerk? A. Yes, sir.

Q. And while you were paying teller you made up parcels for deposit, did you not? A. Yes.

Q. And after the 15th when you became accountant you took them down yourself, did you not? A. The majority of them.

Q. The deposits were made regularly were they not? A. Every day I believe, with few exceptions.

Q. And how about the withdrawals from July on? A. Whenever we needed the money.

Q. Did you need it fairly often? A. Fairly often.

Q. Weekly or monthly occurrence? A. Practically a daily occurrence.

Q. What would you take down? A. Well different things from July on. There was the circulation to a certain extent and then we sold them exchange and cheques on other banks and sundry bank bills.

Q. Always maintaining the same amount of circulation, your own circulation? A. It varied; I know one occasion when they got too much, we cut it down to $500 a day, other times, it was $1,000.

Q. Who used to go down with the cheques for the money you wanted to get back? A. I used to go down.

Q. Had you any difficulty in getting them paid? A. I could not say difficulty, but I had sometimes long waits; I do not know what the matter was.

Q. Did that occur often? A. I could not say; some days I would get it easy enough and other days I would have to wait; I could not say how often it occurred.

Q. Were you the only one who went down with cheques? A. From July, I think so; there may have been some days when other people, went down, I do not remember.

Q. Was not Dennis? A. He was accountant before July; in July he was transferred to a branch.

Q. Who made the difficulty when you went down that required you to wait? A. I could not say that; I saw Mr. Howard and he did the transactions.

Q. Did you report to Mr. Travers the difficulties? A. On one occasion Mr. Travers had to come down.

Q. On only one occasion so far as you know? A. As far as I know, I know of one occasion.

Q. Is that the only time you reported to him? A. Yes. I called up Mr. Renshaw and told Mr. Renshaw about it and he presumably told Mr. Travers and Mr. Travers came down.

Q. Was that the only occasion from July to the failure of the bank? A. That is the only one I can recall.

Q. If that is the only one you recall, it would just come down to that one item, would not it? A. They may have telephoned Mr. Travers and arranged it over the telephone, I could not say that.

Q. There is no one else we could look to to tell us. You used to draw out from July pretty large sums didn't you? A. Yes, sir.

Q. How often did you send circulation to Calgary? A. I think about every month for a while until the Calgary office got stocked up and we did not send any more.

Q. Is that the office of the Trusts Company? A. Yes.

Q. You used to make up parcels and send them off? A. Our teller made them up.

Q. That was in addition to the deposits with the Trusts Company here? A. Yes.

Q. After the loan of October of $295,000 was made did you still go down with the money after that? A. Yes.

Q. Had you any difficulty then? A. Well, not as long as our balance kept up to a proportion, but after we had to send down exchange—

Q. What do you mean by your balance kept up? A. I think we had about $70,000 after that transaction went through; I think we were allowed down to about $20,000 or $30,000, and after that we had to send down exchange.

Q. Why? A. I could not say that.

Q. If you had $20,000 there, or whatever you had, why could not you draw it? A. Because we wanted $20,000, sometimes we would draw $20,000 a day, so that if we did not take it one day we would probably need it the next.

Q. What was the object of depositing these to draw on? A. So that we could pay the clearing.

Q. Was money sent to Calgary after that loan was made of $295,000? A. I could not say that; our parcel book will show that.

Q. Did you ever get back your own circulation from the Trusts Company? A. I believe we did; I made up a circulation report which ought to show, the time before, the amount we sent down there and the amount we got back.

Q. When did you make that up? A. I made that up at the time of the other trials for Inspector Duncan.

Q. What trial do you remember it was used at? A. I do not think it was used; it was made up for his convenience.

Q. If we can find that—? A. It will save going through all the books?

Q. You could probably identify that if I were to send it to you? A. Yes.

Q. And getting them back were they given to you back in open packages or loose or closed packages? A. We sent circulation down there and we sent it, I remember one package contained about $15,000,—that package had to be broken when we got circulation back.

Q. Do you remember from that statement you made out, have you a recollection of how much the total was of what you got back? A. No, I have not, sir.

Q. Would it be more than $15,000 or $20,000? A. I could not say; I know our circulation was up to the limit and we had to get it back, but how much I could not say.

HENRY A. C. RENSHAW, Sworn, Examined by:—

MR. HODGINS: What was your connection with the Farmers Bank? A. Manager.

Q. Manager of what? A. Of the Toronto Branch.

Q. When? A. I think it was the latter end of September, 1909.

Q. And all through 1910 until the failure? A. Yes, sir.

Q. What do you know about this deposit of circulation with the Trusts Company? A. There was an arrangement we sent down $1,000 of it every day of our own notes.

Q. In addition to what was sent to Calgary? A. Yes, sir.

Q. Did that continue for any length of time? A. Yes, sir, right up to the suspension.

Q. All the time you were there? A. Yes, sir.

Q. Who would take the circulation down? A. Mr. Burk, the accountant; that was after July, 1910; previous to that, Mr. Dennis.

Q. Who is Mr. Dennis? A. He was the accountant; he was transferred to Norval as manager.

Q. If you wanted to draw, who would take down the cheque? A. Mr. Burk.

Q. Was there any difficulty in getting cheques cashed when you wanted circulation? A. Yes, sir, there were at times.

Q. How often? A. I could not say; well, possibly six times; I could not say.

Q. How did the objection reach you? A. Mr. Howard would telephone me, that is the accountant.

Q. To what effect? A. He did not know whether he would be able to supply us with a cheque that morning.

Q. What was the reason? A. Our account was low.

Q. Did he mean there was not sufficient funds for the cheque? A. Yes, sir.

Q. Would that be the case? A. We had the funds there; the account at this time would be about $70,000.

Q. What was the amount of the cheque? A. They would vary from $5,000 to $20,000.

Q. What did he mean by saying it could not be paid; there were not sufficient funds; you had plenty to your credit, hadn't you? A. Yes, sir.

Q. Did he explain what the objection was? A. No, sir; not to me.

Q. Did you understand what the objection was? A. No, sir.

Q. He gave you no reason? A. Well, he would say either the general manager was out; he could not get it, or we would have to see him about it.

Q. What did you do, report to Mr. Travers? A. Reported to Mr. Travers.

Q. Did you ever go down yourself and make arrangements? A. I think Mr. Travers sent me down once, if I recollect.

Q. Who did you see? A. I saw Mr. Warren and Mr. Stratton.

Q. And what took place between you? A. I forget what the conversation was.

Q. You went down to get money? A. Yes, sir.

Q. And they were not anxious to give it to you? A. No, sir.

Q. Did they give you any reason why they would not? A. Well, yes; I have forgotten what the reason was now.

Q. Did you get it in the end? A. Yes, they decided to give it to me.

Q. Did they look up the accounts as between you and the bank? A. Not then; not before me.

Q. Did they say anything about the amount the bank owed them? A. I do not recollect.

Q. Did they say anything about the amount they owed the bank and compare the two? A. No.

Q. Do you know anything about the return of circulation? A. No, sir; there was some returned, but not very much.

Q. I suppose that is all you know in the matter? A. That is all.

MR. HELLMUTH: Mr. Hodgins, will you ask Mr. Renshaw whether the circulation that was returned was because the bank had exceeded their circulation and had to get it back.

MR. HODGINS: How was that? A. I think that was the reason it was gotten back.

Q. When the circulation was got back they had exceeded their circulation? A. Yes.

MR. HELLMUTH: What they were authorized to circulate.

MR. HODGINS: They got back this from the Trusts Company? A. Yes.

Q. How would that help the situation; do you mean exceeded circulation, including this from the Trusts Company? A. No, sir.

Q. This deposit with the Trusts Company was not treated as circulation? A. What is that?

Q. What you had deposited with the Trusts Company, was that treated as being in circulation? A. Oh, certainly.

Q. Getting it back would withdraw it from circulation, that is the idea? A. Yes.

Q. And that only occurred on one occasion? A. To my knowledge.

Q. When was that? A. I could not recall the date.

Q. Just about? A. I should judge it would be September, 1910.

Q. And that never occurred again? A. Not to my knowledge, sir.

Q. I wish to ask you another question, at Mr. Travers' suggestion: what were the size of the bills that were got back from the Trusts Company? A. I did not see them, but I think it was twenty-fives.

Q. What was done with them; were they sent to Calgary? A. I do not remember; Mr. Travers said they were, but I do not remember.

Q. Were they large bills? A. Yes, sir.

Q. That were got back? A. Yes, sir.

Q. Or were sent to Calgary? A. It would be small circulation sent to Calgary, mostly five's; I think the parcel made up $3,000 in five's and $2,000 in ten's.

Q. You are speaking of this circulation what was got back from the Trusts & Guarantee Company? A. Those were large bills; I understand they were twenty-five's.

FREDERICK M. HOLLAND, Sworn, Examined by:—

MR. HODGINS: What is your occupation now? A. I am general manager of the Dominion Permanent Loan Company.

Q. Were you its manager on the 26th February, 1910? A. Yes, sir.

Q. Did you have an arrangement with the Farmers Bank to take deposits of circulation? A. Yes.

Q. That began, did it, about February, 1910? A. No, it began on January 15th, 1910.

Q. What extent was deposit made with you? A. They deposited $500 a day.

Q. For how long? A. And they would draw it out at the end of each month.

Q. How long did that go on? A. Right up till the bank closed; they deposited $500 a day and we paid out the money; we paid them no interest and had ten days' notice of withdrawal.

Q. The arrangement that they were to have no interest was at whose suggestion, at their suggestion? A. I think it was at mine.

Q. I have a letter here from Mr. Travers: "Re our conversation of to-day" —? Is that Mr. Travers' letter?

Q. Yes; perhaps you have it February 26th? A. It is signed Mr. Renshaw, the letter I have.

Q. Yes, that is the one; how did this letter come to be written? A. Mr. Renshaw saw me about it, and they wanted 2% interest, and I told them I would not give them any interest.

Q. Why? A. I wanted to make all the money I could. I thought I could get the money without interest and so I made an effort and got it.

Q. You judged from the conversation that this was a convenience for them? A. I knew it was a convenience to them and a profit to us.

Q. You refused to give interest? A. Yes, sir.

Q. This letter says: "We wish no interest on this deposit"? A. That was in answer to my intimation.

Q. His way of putting it? A. Yes, that I would not give any interest.

Q. They thought it better to fall down gracefully? A. Yes.

Q. You paid it out over the counter and they drew it out, you say—? A. We paid any demands made on us—you see we used about $1,500 a day circulation, we have to get from some bank, and we paid out theirs over the counter and got the rest from other banks.

Q. What do you mean by saying they drew it out at the end of the month? A. They would draw a cheque on us and we would give them a cheque on the Imperial Bank for the balance.

Q. The balance would be just the $500 a day? A. Yes, sir; you see here, take for instance the 29th of January, their balance was $6,500; they drew out $6,000; at the end of April it was $13,000, and drew it all.

Q. How much did they deposit with you all told? A. I have the record here, but it will take me a long time to make it up.

MR. COMMISSIONER: $500 a day? A. Yes, for about a year, but the account was squared at the end of each month within $500.

MR. HODGINS: How did they come to make that arrangement with you; were you connected in any way with the Trusts & Guarantee Company? A. No, sir.

Q. Were you at that time? A. No, sir.

Q. Are any of the directors of the one company on the board of the other? A. Yes, sir.

Q. Do not the Trusts & Guarantee Company hold the largest amount of stock? A. In our company?

Q. Yes? A. Well, I do not think they have a share.

Q. How are they connected? A. Not connected in any way; I hold about ten shares of their stock; that is about the connection.

Q. Are you a director of the Trusts & Guarantee Company? A. No, sir.

Q. Were you then? A. 1910?

Q. Yes? A. No.

Q. What members on your board were on the Trusts & Guarantee Company board? A. Mr. Stratton, Mr. Karn and Mr. Kloepfer.

Q. Who introduced this matter to you of the Farmers Bank? A. It was introduced to me by Mr. Warren; one day I was talking to him and he says, "Why don't you do something, you are paying out money every day, different banks, why don't you make them deposit with you?" I said none of them had shown any inclination so far and he says, "I think the Farmers Bank would do it". I said, "Tell them to come and see me". That was the end of it as far as he and I were concerned.

Q. That is how it arose? A. At least I presume so, because Mr. Renshaw came to see me.

Q. Had Travers any stock in your company? A. No, sir.

Q. There is some stock of the Dominion Permanent mentioned in connection with one of these loans? A. That if I remember rightly was some stock which Mr. Travers bought out one of our shareholders, got him to trade for his stock; I do not know whether they hold it now or not, but I think they did at one time have a few shares; in the same way they got some of our debentures.

DUNCAN S. MACCORQUODALE, Sworn, Examined by—

Mr. Hodgins: Do you believe in the binding nature of an oath? A. I believe every person should speak the truth on all occasions.

Q. Do you believe in the binding nature of an oath? A. I do.

Q. The oath you have taken? A. Yes.

Q. Were you selling stock for the Farmers Bank? A. Yes, I sold a little.

Q. Who were you working for? A. I think the matter was introduced to me first by the provisional directors.

Q. Who were you working for in selling the stock? A. That is to say who paid me?

Q. Yes? A. Mr. Travers, anything I got, I got from Mr. Travers.

Q. Who employed you to sell it, Lindsay? A. No.

Q. Who did? A. I think the first I sold, I think it was at the instance of the provisional directors and afterwards Mr. Travers gave me authority to sell.

Q. You had no authority from Lindsay to sell? A. No.

Q. You were not his sub-agent in any way? A. In no way; I may say after a certain period when I wanted to sell more, having made one fairly good sale as I thought I began to think I could sell stock and I spoke to Mr. Travers about it and he refused to deal with me, referring me to Mr. Lindsay, saying that it was entirely in his hands, and Mr. Lindsay refused to give me any stock to sell at what I thought a fair commission, and so we did no business.

Q. You subscribed for stock in this bank? A. Yes.

Q. How many shares? A. One share.

Q. Ever pay for it? A. No, I expected to pay for it out of commissions.

Q. There were three of you, three of the same name subscribed for one share each? A. Yes, I subscribed for one.

Q. Just at the closing moment, was it not? A. I cannot say now just when it was, it was some time ago and I am not as young as I was.

Q. Were you intimate with Lindsay? A. No, only met him there at the bank.

Q. At what bank? A. At the premises down on King St., at the North American Life when their offices were there.

Q. The offices of the bank? A. Yes, the offices of the Farmers Bank.

Q. What was the occasion of meeting him? A. I went to the bank because I was acquainted with some of the provisional directors, one of whom I had known since he was practically a boy.

Q. What did you and Lindsay do then? A. Lindsay and I did not do anything.

Q. Lindsay says you did? A. I had no trade with Lindsay at all.

Q. Did you ever go down with Lindsay to the bank towards the foot of Yonge St., the Traders Bank? A. Yes, I met him one day and he asked me to take a walk.

Q. Where did you meet him? A. I think I met him about the corner of Bay and King on the street.

Q. Were you in a hurry? A. No, apparently not.

Q. Going anywhere? A. He asked me would I take a walk, and I walked with him and we went down Bay St. to Front, and along Front St. to the Traders Bank; he went in.

Q. Just strolling along leisurely? A. Went along leisurely, he went in there and he had some transaction with the teller or bank official.

Q. What was it? A. He drew some money.

Q. How much? A. I do not know.

Q. Did you see the bills? A. I saw them being handed out, but I stepped a little aside, it was not my business and I was not curious; I noticed they were large bills; I think they were about fifties he got, I do not know.

Q. How did you notice that? A. I was looking, I could see them handed out, but how many he got I do not know.

Q. What did he do with them? A. He rolled them in a roll and put them in his pocket and then he walked up and went to the bank; at this time it was in the Stair Building; we went in there and my recollection of it is he handed a package—I supposed it was the money he had had in his pocket—he handed a package to Mr. Travers.

Q. Who else was there? A. I do not know who was there. There were two or three offices, Mr. Travers as I recollect it was in front of the door, as we entered a general lobby, a general open space there in front, and I think Mr. Shaver had an office to the west of that.

Q. Was Dr. Nesbitt there? A. I did not see him.

Q. What room did you and Lindsay go into? A. Entered the front room.

Q. Whose room is the front room? A. We entered one general room, and these offices were off that room.

Q. It was the general room you went into? A. Yes.

Q. Sit down? A. I could not say whether we sat down or not; I had a habit of going in there often because I was wishing to get shares to sell if possible and naturally gravitated there on a good many occasions when there was no business of any kind for me at all.

Q. Did Lindsay ask you to accompany him? A. He asked me to take a walk.

Q. After you got through taking a walk and getting the money did he tell you to go back with him and tell you he wanted you to be a witness? A. He did not say so.

Q. Did he invite you back to the bank? A. I cannot say he did; I went in with him and went out with him and we discussed some matters; I don't know what they were.

Q. How long did he stay there? A. At the bank?

Q. Yes? A. At the Traders Bank?

Q. No, at the Farmers Bank when he got back? A. I do not think we were there over a few minutes.

Q. Was Travers the only one you saw? A. I cannot say whether I saw Mr. Shaver or Mr. Fitzgibbon; I frequently saw them, but I do not know whether I saw them then or not.

Q. You saw Lindsay hand a package to Travers? A. Yes.

Q. Quite sure? A. Quite sure, certainly, no doubt.

Q. You know what it was and what was in it? A. I inferred it was the money he got down at the other bank, but I could not swear as to whether it was money or not.

Q. Was Lindsay talking to you about this the last few days? A. Yes, Lindsay talked to me about it before he was on trial for conspiracy asking me if I recalled the matter of our having taken a walk.

Q. What else? A. He asked me if I recalled our going down and getting the package and coming up to the other place.

Q. And paying it to Travers? A. Yes, he did.

Q. You told him you did remember? A. I told him yes, I recalled it, because I might say that it was the first time I had seen such a large wad of money in the hands of one individual that was not behind a bank railing.

MR. COMMISSIONER: You speak of handing a parcel, what do you mean by a parcel? A. It was something, I do not know whether he had a wrapper around it or not.

Q. Something wrapped in paper? A. I could not say whether it was wrapped in paper or not.

Q. Could you not see if it was bills, you could tell? A. I was not there to watch.

Q. You saw it pass from hand to hand you say? A. Yes, but I did not think I should be called on.

Q. What do you mean by calling it a parcel and not knowing whether it was money, would not you know it was money if you saw it? A. I would know if I saw it now.

Q. Would not you know if you saw it then? A. I would know, but I cannot recall further than he pulled something out of his pocket, and apparently the same pocket he had put it into when he left the other bank.

Q. Was it put in a parcel at the Traders Bank? A. I think he rolled it up and put a wrapper around it quite a large package.

Q. It would not be a very large package if you are right about the number of bills, one hundred fifty-dollar bills would not be a very large package? A. It was so large that it drew my attention when I saw him getting it.

MR. HODGINS: What did Lindsay say when he handed this over? A. I do not know what he said,

Q. Did he say anything? A. I do not know what he said, I could not say; my interest was to sell stock.

Q. How long was he there with Travers? A. I do not know, a few minutes; I think Travers proposed to go out and have a cigar or something on the head of it.

Q. Did you go? A. Yes, went down to the place on the other corner opposite the bank.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., May 23rd, 1912.

DUNCAN S. MACCORQUODALE, Examination continued:

MR. HODGINS: You received something like $1,080 in commissions? A. Yes, probably a little more; I am not sure.

Q. Whom did you get those from? A. I had only one large one, that was Mr. Devean, that would be 200 shares.

Q. Who paid you those commissions? A. Mr. Travers; I cannot name the whole of them; I can recall some.

Q. I am not asking you anything more about it; what do you know about how Dr. Beattie Nesbitt became President? A. We were in the bank, the office premises on King St. one day.

Q. You and he? A. We, I was and Mr. Travers and Mr. Lown and Mr. Smith, I do not know who all were there, and the question of Colonel Munro being made President, Mr. Travers seemed to think that somebody who had more business advantages than he would be better as President and I recollect suggesting Dr.

Nesbitt because of his at that time strong pull apparently with the Government and the Tory organizations in the City; I suggested he would be a good man to bring in business.

Q. How long before the organization meeting was that? A. That was when we were on King St.

Q. How long before November, 1906? A. It would be some time in the summer or fall, August or September something like that, it was before they moved their offices up.

Q. And that suggestion was not accepted? A. The suggestion was made to Mr. Travers.

Q. And it was not accepted? A. It was accepted by him. He says, "Who is he and what does he do"? He seemed to me not to know him, and finally he seemed to have much doubt of my being able to negotiate it, but I undertook to see Nesbitt about it and I saw Nesbitt in the Registry Office and the result of a long talk was that he would like to see Mr. Travers. The result of that was that after a time I went with Mr. Travers up to the Registry Office and introduced the one to the other and I remained in the outer office while they went in to have a talk about it. Later I arranged a meeting at the Queen's Hotel between the two. Later I arranged another meeting and I think Mr. Travers had left the Queen's by that time; finally they made their arrangements together; Dr. Nesbitt would not sign for me, my interest was in getting a commission, he would not sign for me, said he must discuss the thing with the Manager, he would know if he would be able to give sufficient time to perform his duties as President, and it resulted in his being President.

Q. Who took his subscription then? A. I did not take it, he would not sign for me.

Q. When you went to see him? A. I went to see him.

Q. When you went to see him first did you tell him that somebody would pay up his stock for him? A. I told him nothing and I knew nothing about that at all. I negotiated him as soon as a bona fide man that was going to take stock.

Q. You never landed him in the sense of getting him to sign a stock subscription? A. No, I did not get him to sign it at all, but I got the commission for it.

Q. When was the first negotiation for him again in the summer? A. The only thing I am clear about is when we were in the office on King St., I do not know when we left that office, I cannot say.

Q. That is all you remember? A. Yes, that is all I remember of it.

Mr. Travers: Will you ask him if he was getting stock from Smith before I went in the bank?

Mr. Hodgins: Were you getting stock as a stock seller from Smith? A. I think Mr. Smith was the one; it was one of the provisional directors introduced the sale of stock to me and I sold some; I do not recall what, but I sold a few.

Q. Did you charge up or try to collect any commission on Beattie Nesbitt's stock? A. I got paid a commission of 5% on $3,000; I took Mr. Travers' word for it that he had signed for $3,000.

Q. When did you get that? A. In the Stair Building.

Q. Was that after the bank commenced active operations? A. I cannot say, I cannot recall it, but it was in the Stair Building.

Q. Was that percentage included in the $1,080? A. It would make more than $1,080.

Q. 5% on $3,000? A. No, but I got $1,000 out of one sale.

Q. I am asking you about this commission on Beattie Nesbitt's stock? A. I got $150.

Q. After the bank commenced business? A. I cannot say that.

Q. Your stock was afterwards cancelled? A. Mr. Travers told me it should be cancelled.

Q. How much was it? A. One share.

JAMES R. STRATTON, Sworn, Examined by—

MR. HODGINS: Q. You were President I think of the Trusts & Guarantee Company? A. I was.

Q. During 1906 and 1907? A. Yes.

Q. 1908 and 1909 and right down to 1910? A. Yes, right down to last January.

Q. You ceased to be? A. I resigned.

Q. Are you connected with it in any way now? A. Yes.

Q. In what way? A. As a director.

Q. Were you a Member of Parliament in 1906? A. I was up to the time —I do not remember the year; I resigned the Provincial Secretaryship just before Mr. Ross went to the country, whatever year that was in, I just forget for the moment the year.

Q. You were not a member of the Dominion House in 1906? A. No; it was when Mr. Whitney came into power, the year he came in.

Q. Did you know Travers in 1906? A. No, never heard of him.

Q. I thought Mr. Warren introduced you to him in 1906? A. Oh, in 1906?

Q. Yes? A. The first I knew of Mr. Travers was when he came to borrow money from the Trusts Company.

Q. Was it you who arranged the terms of the loan? A. No.

Q. Had you anything to do with that? A. No, that was arranged between Mr. Travers and Mr. Warren.

Q. The details you did not interest yourself in? A. No.

Q. Did you suggest the bonus to Mr. Warren that was paid of $1,000 on the first loan and $500 on the other? A. I don't think so.

Q. Left entirely to him? A. Yes.

Q. Had you anything to do at all with the getting of the certificates? A. Nothing whatever.

Q. Do you happen to know whether you were in Ottawa on November 6th, 1906? A. I could not say; I might have been.

Q. At all events, you had nothing to do with getting the certificate? A. So as to put it clearly and distinctly, I had no interview with any member of the Government or any official of the Government or any Department of the Government or with any person else with regard to the certificate.

Q. No Member of Parliament? A. No.

Q. Nor with Travers? A. Nor with Travers.

Q. That is pretty broad? A. Yes, I do not want any doubt about that, because I had nothing to do with it.

Q. After the bank started, had you anything to do with the loans that were given by the Trusts & Guarantee Company? A. Yes, I had; in 1910, I think it was, I saw Mr. Travers, and had two or three interviews with him with regard to the account of the Trusts & Guarantee Company.

Q. That was in connection with the last loan, $295,000? A. Yes, I had a talk with Mr. Warren with regard to the other loan.

Q. Between the time of the first loan and the time of the last loan you were the chief executive officer, you were president? A. Yes.

Q. And Mr. Warren was the manager? A. Yes.

Q. Did you keep pretty close touch with the business of the Trusts & Guarantee Company? A. I kept in touch with those matters that came before the board.

Q. Was that all? A. Yes; the business of the office was conducted by the officers.

Q. Yes, but you being president, had you any special duty in regard to the business? A. If there was anything of any importance they generally spoke to me about it.

Q. You would be consulted by the manager? A. Yes.

Q. But you did not make a practice and did not go there day by day and really keep in touch with the work? A. No.

Q. Were you consulted before the arrangement was made about the deposit of circulation? A. No.

Q. When did you learn that the payments made on this $80,000, the first loan, had been reversed in the company's books? A. I could not say as to that; I do not think I heard anything about that till it came out in the Police Court evidence.

Q. You think nothing was said to you about that? A. I do not think so.

Q. Was anything said to you about the account that was opened in January, 1907, it ran along till April? A. That was the account in the Trusts Company?

Q. Yes? A. No. Have you reference there to the $20,000 loan?

Q. I have reference there to the deposits that were made from time to time? A. No, I had no knowledge of that.

Q. Which totalled $80,506.81? A. No.

Q. That was left in Mr. Warren's hands? A. Yes.

Q. Did you know of the depositing of circulation at the rate of $1,000 to $500 a day? A. Not till after Mr. Morden—Mr. Warren was away and Mr. Morden spoke to me with regard to the account.

Q. Did you know about the transfer of the loan in the form of a deposit receipt of $120,000? A. The transfer of the loan with regard to the deposit receipt?

Q. There was a deposit receipt issued by the bank in favour of the Trusts Company? A. The deposit receipt given by the bank?

Q. In favour of the Trusts Company? A. Of $120,000?

Q. Yes? A. That would be the money deposited by the Trusts Company in the bank.

Q. Yes? A. No, I was not aware of that.

Q. You, I suppose, were aware that the Hamilton estate money had been deposited in the Farmers Bank? A. No.

Q. Was not the Hamilton estate a Peterboro estate? A. It was a Peterboro estate, but the business of the Trusts Company was being conducted by the manager; he did not refer to me particularly about in what bank he would deposit it.

Q. I am asking you if you happen to have known, seeing it was a Peterboro concern? A. No.

Q. Were the Trusts & Guarantee Company the liquidators? A. Yes.

Q. Then did your first knowledge of the state of financial relations between the bank and the company date from Mr. Morden's coming in—I mean apart from the April loan? A. In what way? In connection with the Farmers Bank and the Trusts Company I had nothing to do with their negotiations; if there were any negotiations; I do not know who has accounts on deposit in the Trusts Company or who has not.

Q. Had you anything to do with putting through the loan for $100,000? A. When would that be?

Q. I think that was July 31st, 1910? A. Was that the time that Mr. Travers came to Peterboro?

Q. Very likely? A. Mr. Warren told me that Mr. Travers had made application for a loan of $100,000, and he asked me if I would see him if he came down, and I told him I had no objections.

Q. If Mr. Warren was looking after all these matters, why should he suggest that you see Travers? A. I suppose it was a large loan and he wanted to have my approval of it if it was to go through.

Q. Did he submit to you what Travers proposed? A. Mr. Travers came down and explained to me himself; I telephoned Mr. Warren and I said to him that if he was satisfied with the security I had no objections to his helping him. There was a run on the bank at Lindsay, as I recollect it, and I think he had some trouble somewhere else, and the money that was being advanced was a temporary loan, and I think it was to tide him over the difficulties that he had arisen at Lindsay, if I remember correctly.

Q. What security did Warren tell you was being offered? A. He said he had bonds in the Keeley Mine, $1,000,000 of bonds, that Travers had been offered some large amount, $700,000 or $800,000, I think, or six or seven or eight hundred thousand dollars for the mine and had declined it; that it was one of the rich mines of the Cobalt District, and he felt that he was absolutely secure in making that loan, and that he had in addition to that about $120,000 of the bonds of the American Piano Company, that were quoted somewhere around 110 or 100 at that time; I just forget the additional security he had.

Q. When Travers came down to see you then did he offer the same security that you had heard of from Warren? A. Yes, talked the same security.

Q. Explained about the mine? A. No, he did not make any explanations about the mine.

Q. Did you understand it was a producing mine? A. I understood it was about to produce and it was producing; that he had refused a large sum for it.

Q. What were the final arrangements made with Travers for the loan? A. With Mr. Warren?

Q. No, with you? A. He did not make any final arrangements with me; he just spoke in a general way.

Q. The final arrangements were made with Warren? A. Yes.

Q. In addition to the million dollars of Keeley bonds, was there anything else stipulated for? A. Not with me at that time.

Q. And you do not know anything about the stock in the Keeley mine? A. What I understood was he gave—subsequently to the conversation at Peterboro I understood—

Q. From whom? A. From Mr. Stockdale or Mr. Warren, from the office from the Trusts Company that he had given a bonus of either $25,000 or $30,000 of stock on the Keeley mines for the loan in addition to the rate of interest that he was paying, but it was not looked on in the office as being of great value at this time.

Q. That was no part of your stipulation with him? A. No.

Q. You only heard it afterwards from either Stockdale or Travers? A. Yes, Stockdale and Mr. Travers—well, Mr. Travers felt that Mr. Stockdale was not friendly to him, and that Mr. Stockdale wanted more and a larger bonus than he obtained, because Mr. Stockdale put no particular value on the mine, and Mr. Travers spoke to me with regard to additional security; that he would be satisfied to place in my hands in trust $50,000 of stock of the Keeley mine; that if the Trusts Company loan was paid off the stock would go back to the bank; if it was not paid off, the stock would be the property of the Trusts Company.

Q. When was this arrangement made? A. That was made in the Trusts Company; he came down to speak to me about Mr. Stockdale.

Q. After the Peterboro interview? A. Oh, yes.

Q. After the loan had gone through? A. I suppose so.

Q. The bonus arranged was $25,000, which was transferred to Mr. Stockdale, was it not, in trust? A. Yes.

Q. The other was in trust to you. The loan had gone through? A. Yes.

Q. And then he came down and offered you $50,000 more? A. Yes, he was not satisfied with Mr. Stockdale. He said, "I will entrust you with $50,000

—I place in your hands in trust $50,000; you are to hold that on these terms". I said, "All right, Mr. Travers".

Q. What was the object of that if the loan had gone through, if he had put up the bonus? A. I could not say; that was his own way of doing it.

Q. Did you ask him what were his reasons? A. No, I did not ask him anything about it.

Q. Did you inquire from Mr. Warren? A. No, Mr. Warren was at the Coast.

Q. Did you inquire from Mr. Stockdale as to why you should be offered this? A. No, I said nothing about it; I handed it over to Mr. Stockdale afterwards.

Q. I understood from Mr. Stockdale yesterday that no entries were made at all with regard to the $25,000 of stock or the $50,000? A. I could not say whether they were or not.

Q. They did belong to the company? A. No, the $25,000 of a bonus to Mr. Stockdale was absolutely the property of the company; the other was in trust, that if the Trusts Company was paid off the amount of the loan then it belonged to bank and if they were not it belonged to the Trusts Company.

Q. That was all word of mouth? A. This was all word of mouth.

Q. No document signed? A. No document, except that I pinned to the stock certificate the conditions on which I accepted it.

Q. And that has been handed back, has it not, to the liquidator since? A. When the loan was paid off, the certificate went back to the bank with the other securities.

Q. Where was it retained in the meantime? A. In the Trusts Company.

Q. Who did you give it to? A. I do not remember, I think it was Mr. Stockdale.

Q. Did you tell him what the commissions were? A. Yes.

Q. You had pinned them on in the meantime? A. They were on in the meantime, that is my recollection of it.

Q. So that he knew from the time of the loan exactly what that $50,000, the conditions on which you held that? A. As soon as I handed it over to him I told him.

Q. Do you know where the certificate for that $25,000 was held? A. No, I do not know where that is; I think that was sent back with the other.

Q. Had you any independent knowledge about the Keeley Mine at the time you lent that money? A. No, nothing further.

Q. Than what you have told us? A. Than what I have told you, Mr. Warren was to look into the securities.

Q. Were you consulted later with regard to the $295,000 loan? A. Yes, Mr. Morden spoke to me about that.

Q. At the time of the $100,000 did you know that they were depositing circulation with you daily? A. I did not know they were depositing it daily; I knew that the Trusts Company was circulating to some extent some of the Farmers Bank bills.

Q. Did you know of the understanding that the amount deposited in the bank by the Trusts and the amount deposited in the Trusts Company by the bank should be kept about equal? A. No, I knew nothing about that.

Q. After the last loan, what position was the bank in when that loan was made? A. So far as we knew at that time the bank was in an excellent position.

Q. You heard no rumors about it? A. We heard rumors of course, but the statement of the bank was all right and Mr. Travers was very strong in his views as to the substantial standing of the bank; we had nothing before us that would lead us to doubt his statement and he was very strong with regard to the bank.

Q. Did you make any inquiries from Warren or Mr. Stockdale as to the state of the accounts between the two institutions? A. No.

Q. Made no inquiries? A. No.

Q. They never informed you? A. No, I did not know the Trusts Company until the time we made the loan, that the Trusts Company had on deposit this $120,000.

Q. Were you astonished at the state of accounts between the two institutions? A. No, I would not say I was astonished.

Q. Would surprised be a better word? A. I do not know that I would even be surprised.

Q. Interested then? A. Mr. Warren had great faith in Mr. Travers and he deposited the money there I believe as a kind act to Mr. Travers or to his bank.

Q. You have had some experience in financial institutions, were you surprised when you learned in October, 1910, the state of affairs between the two? A. I was I suppose you may put it surprised; I was not aware—

Q. I am told that Mr. Morden although he did not say so this morning felt very uneasy about it? A. Yes, Mr. Morden spoke to me about it and I said, well he had better consult the solicitor member of the Board, Mr. Wilson, and Mr. Wilson happened in and we talked the matter over. We had no reason to fear anything at that time.

Q. Did you get Mr. Travers down to the conference? A. I think I telephoned him or had some one telephone him, one or the other.

Q. Yourself and Mr. Travers and Mr. Morden, and who else? A. Mr. Matthew Wilson.

Q. Was that the time that the Bank Act was brought down and read to Mr. Travers? A. It was brought down and read to him on one occasion, I won't say whether that was the occasion or not.

Q. The meetings were close together at that time, from the first time you were informed until the loan was put through? A. The negotiations for the loan were largely done by Mr. Wilson.

Q. But you had several interviews following each other in rapid succession? A. No, I had not; I had two; when you say several do you mean three or two or five? I had about three interviews with Mr. Travers all told.

Q. Five would be my selection? A. I think I had three on that occasion; I think Mr. Wilson and Mr. Travers did the negotiating.

Q. What was the occasion of bringing the Bank Act down and reading it to Mr. Travers; if it had been the Riot Act I could have understood it? A. I don't know about that—something about Mr. Morden—I recollect the Bank Act—but I do not remember that.

Q. Was there a question whether the Bank could legitimately give you this security considering the position it was in? A. I do not know the nature of the negotiations for the security.

Q. Did you take part in arranging what you should get? A. No.

Q. What part did you take in it? A. The part that I took in it was Mr. Morden pointed out to me that the Trusts Company had on deposit in the Farmers Bank a certain amount of money, and that the Farmers Bank had an open account in the Trusts Company and he thought it was a little anomalous position, and he as manager of the company thought it would be better to have one loan, one account, and he and Mr. Wilson arranged it; I think they took on deposit certain notes in the Farmers Bank and they took some other securities, I do not just remember.

Q. I think they took the security they already had over again, the bonds and Piano Company stock and some notes? A. Yes.

Q. And you consolidated the whole thing into one loan? A. Yes, it was consolidated into one loan.

Q. That did not remove the objection Mr. Morden had raised, because according to the figures it still left about the same amount to the credit of the Loan Company? A. No, it made to the Farmers Bank a loan of two hundred odd thousand

dollars, which gave the Farmers Bank a credit of some seventy or eighty thousand dollars in round figures, gave them a credit which they had the right to draw on at any time they wanted.

Q. Had not they that privilege in regard to the balance they had there previously? A. So far as I know they had.

Q. And the net result was, the situation so far as they were concerned was not changed and you had a new loan with the securities attached to it? A. They had a deposit account in the Trusts Company, as I understand it, and the Trusts Company made them this loan and gave them the seventy or eighty thousand dollars of a credit which they had a right then to withdraw at any day they liked on call, just as you would check out anything else.

Q. Had not they the right to withdraw that previously? A. I suppose they had. I heard something here this morning about hesitating about cashing a cheque; that is easily explained, because sometimes they would send down a cheque for $15,000 or $20,000 on a day when we perhaps had several twenty or thirty thousand dollars to look after and we had to hesitate a little bit.

Q. Are you speaking of your own knowledge, do you recollect any such occasion? A. Yes.

Q. More than one? A. I was not there often.

Q. Do you recollect one occasion? A. Yes.

Q. Where they wanted more—? A. They wanted the same day—perhaps the person wants to collect an account from you when you have not it in your pocket.

Q. That occurred once? A. It occurred on my understanding on different occasions.

Q. To your knowledge? A. To my knowledge once.

Q. Did you take any further part in negotiating that loan than you have told us? A. No.

Q. Mr. Wilson would know the full details of the loan, how it was made and why, and the difference between the situation before and after? A. Yes, that is right.

Q. I have been informed and I am asking you so as to get the matter disposed of one way or another, did you ever tell any people in Peterboro that you had made $8,000 out of the Trusts & Guarantee transaction with the Farmers Bank? A. I never did.

Q. Or any large sum? A. Not a cent.

Q. That statement would be—? A. Absolutely untrue.

Q. You did make some statement though about having made quite a lot of money out of that original loan? A. To the Farmers Bank?

Q. Yes? A. No, no person.

Q. Do you remember Mr. Charles giving his evidence? A. Yes, I remember that jollying that afternoon, five o'clock tea.

Q. There was some criticism addressed to his having repeated it, I notice; he informed his manager about it? A. No, he informed his general manager with regard to the loan made by the Trusts Company, but he never informed the general manager that I can recollect that I made any money out of it, because I did not.

Q. That was not what you said? A. No; do you know Mr. Charles?

Q. Yes, do you? A. Yes; Mr. Charles is of a jollying nature.

Q. Did either you or the Trusts & Guarantee Company get any benefit or advantage other than what you have told us, you and Mr. Stockdale have told us? A. No.

Q. None whatever? A. None whatever.

Q. In any matter in connection with Mr. Travers or the Farmers Bank? A. No.

ARTHUR R. SHAVER, Recalled by Mr. Hodgins:

Q. I forget what your position in the Farmers Bank was? A. Transfer clerk.

Q. You seem to have written out most of the cheques at one time? A. Most before organization, none after.

Q. I suppose that is your handwriting in that cheque (Exhibit 28)? A. Yes.

Q. Under whose instructions did you write out the cheque? A. I cannot say whether it was under Mr. Fitzgibbon's or Mr. Travers' instructions, on one or the other.

Q. You marked that "Commissions"? A. Yes.

Q. What was done with it? A. I could not say.

Q. Who did you give it to? A. That I cannot say; most likely Mr. Fitzgibbon, but I cannot say.

Q. Do you think you would give it to Mr. Fitzgibbon? A. I would think so.

Q. How was it that you were writing out all the cheques at that time? A. It was just a short period at the time of organization till the bank organized and after that I drew no cheques.

Q. I did ask you before about those three cheques that were sent down to Ottawa? A. Yes.

Q. I suppose they were taken out of the cheque book? A. Yes, sir.

Q. By you? A. No, sir.

Q. Who took them out? A. I could not say.

Q. Did you afterwards, in writing up the cheque book, see that they were gone? A. Yes, I must have discussed it with Mr. Fitzgibbon.

Q. Do you remember doing that? A. Yes.

Q. What explanation did you make? A. I could not remember now; they were just explanations that they were sent to Mr. Travers at Ottawa.

Q. Was it your duty at all to get the cheques from the banks? A. No, sir.

Q. Whose duty was it afterwards? A. That came in through the local office, the Toronto branch and up into the head office.

Q. Whose duty would it be there? A. I could not say.

Q. You cannot throw much light on that cheque? A. No, sir.

MR. TRAVERS: Are you not mistaken about that? A. In what regard?

MR. TRAVERS: Getting those cheques back from the bank? A. Mr. Hodgins said afterwards; I do not remember how those cheques came to me prior to organization: after organization they all came through the Toronto office.

MR. HODGINS: I was speaking of these three cheques that were taken out prior to organization?

MR. TRAVERS: Is not that dated after organization? A. That is dated the 6th December.

MR. TRAVERS: We were in business after the 1st December? A. Not to the public.

MR. HODGINS: You mean after the first January, 1907? A. All the cheques came through the Toronto branch.

Q. Prior to that you were writing cheques for a short time? A. Yes.

Q. At Mr. Fitzgibbon's request? A. Yes, or Mr. Travers.

JAMES G. FITZGIBBON, Recalled by—

MR. HODGINS: Q. Look at that cheque, it is dated the 7th April, 1907, to W. J. Lindsay for $6,000, what is the occasion of that cheque? A. I was instructed by Mr. Travers to make out a cheque payable to Mr. Lindsay and give it to him.

Q. What account would that be on? A. I could not say without reference to the books what account it was charged to, but I presume Mr. Lindsay's commissions.

Q. I suppose the bank books will show that? A. Yes.

Q. There is a cheque here on the 20th April, is that the one of which the stub was produced on the last occasion? A. I think so, I would not be positive, but I think it was 105.

Q. Look at the stub? A. Yes, that is the cheque I refer to marked "C".

Q. That has attached to it deposit slip April 20th, 1907, credit W. R. Travers? A. That was put through in the downstairs office.

Q. That would go to his private account in the Farmers Bank? A. Apparently from the slip.

Q. Subject to his private cheque? A. Yes.

Q. Look at that other cheque I gave you there, the first one and see what the stub for that says? A. Payable to W. J. Lindsay, commissions.

Q. That is all? A. Yes.

Q. The next cheque is one of the 14th June, 1907, W. R. Travers, $6,000, No. 157; what is that marked? A. Simply W. R. Travers, $6,000.

Q. That appears to be placed according to the deposit slip to his credit in the Farmers Bank in his private account; and the next one is 272? A. W. J. Lindsay, $3,000.

Q. What is that marked? A. If I remember rightly that was final squaring up with Lindsay to date of all his commissions.

Q. Endorsed on the back in pencil "Receipt in full to date handed to Hunter & Hunter this date October 26th"? A. We had a great deal of trouble getting down to a settlement with Lindsay as to the amount of commissions paid to him, and a statement was made up to the 30th September, and on the 1st October he was given a cheque, and I took his receipt in full for all claims against the Farmers Bank or Travers and that is the receipt referred to which was attached to that cheque when it came back through the Toronto office, and that was subsequently handed to Mr. Hunter I believe in connection with Lindsay's suit against Mr. Travers.

Q. I did not understand that law suit was settled? A. No, the law suit was not settled, but when the law suit was instituted this receipt was dug out and handed to Mr. Hunter as proof that up to that date Lindsay had been fully satisfied and had given a receipt in full.

Q. The next cheque is No. 353? A. That is marked here "W. R. Travers, balance of commissions."

Q. $2,464? A. Yes.

Q. That appears to have been the deposit to his private account in the Farmers Bank; the next one attached is 002 dated in March 1908, "Pay to the Farmers Bank of Canada $21,675"—that is Continental Securities Company? A. Yes, that had nothing to do with the head office.

Q. Look at that, it appears also to have been deposited to Mr. Travers' credit, although it is payable to the Farmers Bank; was that in connection with the stock deal with the Continental Securities Company? A. I presume so.

Q. It is their cheque? A. Yes.

Q. In favor of the Farmers Bank and deposited to Mr. Travers' personal credit? A. Yes.

Q. What date? A. The 25th March, 1908.—EXHIBIT 61: Six cheques with deposit slip referred to.

The Commission adjourned at 4 P.M. to Monday next, May 27th at 11 A.M., Osgoode Hall, Toronto.

Toronto, May 27th, 1912.

The Commission continued its sittings at Osgoode Hall, at 11 A.M.

PRESENT:

HONOURABLE SIR WILLIAM MEREDITH, Commissioner.
FRANK E. HODGINS, K.C. and JOHN THOMPSON, K.C., representing the Dominion Government.

FREDERICK CARMICHAEL, Sworn, Examined by—

MR. HODGINS: Q. You are in the Bank of Montreal? A. In charge of the Bank of Montreal on Dundas St.

Q. Is it in your branch that Mrs. Lindsay had an account in 1907? A. No, she had one at the corner of Yonge and Queen Sts.

Q. In December, 1906? A. And 1907; they asked me to come and represent—

Q. Were you in charge of that? A. No, Mr. Crawford is in charge, but I was in the office at the time.

Q. I ask you to produce her account? A. A copy of the account?

Q. Will you do it? A. I am quite satisfied if the Commission asks for it.

MR. COMMISSIONER: Yes.

A. I am quite willing to do whatever the law calls for. If Mrs. Lindsay is to be subpœnaed perhaps you would wish that we would hand over the copy of the account and the cheques to her and let her give the evidence. I will willingly if you wish go and see Mrs. Lindsay and ask her if she wishes these handed over; or are you going to subpœna her?

MR. HODGINS: It does not make any difference; I have told Mr. Lindsay I want the particulars of this account, and he can get them? A. He can get them.

MR. COMMISSIONER: They are here now and you had better have them. (Witness produces copy of ledger account of Mrs. Lindsay in the Bank of Montreal).

MR. HODGINS: Did you bring the cheques up? A. I have some cheques, yes. You can understand, Mr. Commissioner, the natural wish of a bank man—

MR. COMMISSIONER: Quite so, you are protecting your client.—Witness produces four cheques.

EXHIBIT 62: Mrs. Lindsay's account in the Bank of Montreal and four cheques filed together as Exhibit 62.

G. TICE BASTEDO, Sworn, Examined by—

MR. HODGINS: Q. You are on the staff of the Traders Bank? A. Yes, sir.

Q. In what position? A. Assistant chief accountant.

Q. We are trying to identify who marked that cheque (Exhibit 28); will you be able to give us that information; whose initials are those on the corner? A. No, sir.

Q. I am told it is somebody named Graves who initialled this cheque? A. We had a Mr. Graves in the service but he resigned some two years ago or more.

Q. You cannot recognize that as his signature? A. No, I was not familiar with his signature.

Q. Do you know anything about the cheque? A. No, sir, nothing.

Q. Were you in the service of the bank on December the 6th, 1906? A. Yes.

Q. What was the highest amount of bills the Traders Bank was issuing then? A. $100 bills.

Q. Have you any one at present employed by the bank who can tell anything about the marking of that cheque and how it was paid? A. Either the ledger keeper or the teller.

Q. Can you tell us who they are and where they are? A. Mr. Graves I believe is attending the University at the present time.

Q. We are endeavoring to subpœna him; but in the ordinary course of banking business who would know how that cheque was paid? A. I could not tell you that.

Q. The paying teller? A. The paying teller at the time would know.

Q. Could you tell us who he was? A. No.

Q. Could you find that out and let me know? A. All right, sir.

Q. Who was the official at the bank to ask? A. If it was paid in cash he would know.

Q. And your bank books would show whether it was paid in cash or not, would not they, his cash book?

Q. Not necessarily.

Q. Probably you will let me know that and find out if there is any entry? A. Yes.

MR. COMMISSIONER: Surely your bank books will show whether it went through the Clearing House or whether it was paid over the counter? A. Could I see it?

Q. It is a cheque on your own bank and look at the figures in pencil on the back of it; it was evidently debited to the customer's account; the initials in the corner would show it had been debited to the account of the drawer? A. Yes, my Lord.

Q. What did the $10,000 mean on the back of it, those figures? A. There are no particulars given; sometimes they mark cheques that way.

Q. Would that indicate it was paid out in bills? A. No, sir.

Q. Is it not usual to put on the back of the cheque the bills paid—supposing that was paid in fifty-dollar bills or one hundred-dollar bills, is it not usual to put that on the back of the cheque? A. As a rule.

Q. Does the teller keep a slip that is preserved that shows how he paid a large cheque like that? A. No, my Lord.

MR. HODGINS: He keeps a blotter does he not?

MR. COMMISSIONER: Does that show? A. In his blotter it would not show. His cash statement book would show the balance.

Q. It would not indicate what went to meet that particular cheque? A. No.

Q. Would not the cheque itself indicate it was paid in cash? A. No, my Lord.

Q. Or is there anything to indicate that? A. Nothing to indicate that at all.

Q. You find it debited to the Farmers Bank on the day it was presented, then it was paid out the same day, surely there would be something to show how it was paid? A. My Lord, the teller at that date—

Q. Surely the book would show whether it went into any account? A. The account would show it certainly.

Q. If you find it charged to the account and do not find a debit of this cheque to somebody else, would not it indicate it was paid in cash? A. Yes.

Q. How else would you suggest it could have been paid? A. Looking at the cheque I thought possibly it had been deposited to Mr. Lindsay's account.

Q. You could find that out? A. I am not familiar with the accounts at that date, because I was not in Toronto at that time.

Q. The books are there, I suppose they can be looked up? A. Yes.

MR. HODGINS: Perhaps you will let me have the name of the paying teller at the date, and have his blotter looked up and the other books of the bank that will enable him, when he comes up, to tell the Commissioner just these questions you have been asked? A. All right.

JAMES G FITZGIBBON, Recalled by—

MR. HODGINS: Q. There are two items of stock in the Keeley Mine, $25,000 being issued to Stockdale in trust and $50,000 I think to Mr. Stratton in trust? A. Yes.

Q. What became of the certificates for that stock? A. I remember they were filled with all other certificates in the Keeley Mine box being held in trust under a general agreement that no stock was to be transferred without the consent of the Board.

Q. Where was that box with the certificates in it kept? A. In the Farmers Bank Head Office vault.

Q. Were these certificates handed out to Mr. Stratton or Mr. Stockdale? A. Not as I can recall.

Q. See if those are the ones; there are more than two there? A. Yes, I would say those are the ones.

Q. How many are there? A. Three, $25,000 each, one in favour of E. B. Stockdale in trust and the other two to J. R. Stratton in trust.

Q. What are the numbers? A. 57 is Stockdale; 59 and 60 are J. R. Stratton.

Q. What is the date? A. Stockdale was the 3rd August, 1910, and Mr. Stratton's were the 5th August, 1910.

Q. I see they are marked on the back Exhibit 18, I am instructed they were used in the litigation between the liquidator and the Trusts & Guarantee Company and that they were taken out of the package for that purpose; do you know anything about the memorandum said to be attached to them by Mr. Stratton? A. No, sir.

Q. Did you ever see any such memorandum while you were in the bank? A. No, sir.

Q. That is a memorandum showing what was to be done with them, as he expressed it? A. So far as my memory serves me, they never went out of my possession under the arrangement they had that all these were to be left in the bank until the indebtedness of the mine to the bank was paid off.

Q. At the failure of the bank, where were they? A. They were in our possession.

Q. Still in your possession? A. Yes, as far as I remember.

Q. Did you have any talk with Mr. Stratton about the certificates that were in his name? A. No, sir.

Q. Or with Mr. Warren? A. No, sir.

Q. Or with Mr. Stockdale? A. No, sir; I saw Mr. Stratton only the day that he accepted the transfer in the Keeley mine box.

Q. When was that? A. That would be on the 5th August, 1910.

Q. There is no blank endorsement of transfer on any of those, I think; I mean no signed blank transfer? A. No, sir.

W. R. TRAVERS, Recalled by—

MR. HODGINS: Q. When you were giving evidence before you spoke of a cheque which you indicated had the letter C on the stub or some way associated with it and you called it a $3,000 cheque? A. That is my recollection, yes.

Q. Mr. Fitzgibbon identifies a cheque for $6,000 which he has marked as account C; Mr. Fitzgibbon said he identified the cheque, being a $6,000 cheque, dated the 20th April, 1907; does that correct your memory at all as to the cheque you referred to—there is the cheque (part of Exhibit 61) and there is the stub and there is the deposit slip showing what was done with it? A. That is not my recollection of the cheque that you referred to; I understood when you were examining me there you had my evidence in the Police Court in front of you, and my recollection is that a cheque of $3,000 was brought before me in the Police Court that I was questioned on.

Q. What is the date of the cheque you were referring to? A. My recollection was it was before this date, about December, 1906.

Q. That is what I thought, too; that you were referring to one of those three cheques that had been sent down to you, was I right there? A. That is my recollection.

MR. COMMISSIONER: What is the significance of that note there, account "C"? A. I cannot recall why Mr. Fitzgibbon marked it "C" because it went to my private credit; I do not see any necessity for marking it "C".

MR. HODGINS: When you were examined before, you did refer definitely to the cheque for $3,000 and you refused to say who got it or what was done with the money; you must have had a very distinct recollection of the cheque? A. My recollection is that a cheque of $3,000 was shown to me in the Police Court and I was questioned about it, my evidence would show that; that was the cheque I thought you were asking me about.

Q. I say you had a very distinct recollection of that cheque in your mind when you refused to say who got the money for it? A. Yes.

Q. You still have a distinct recollection of that cheque? A. I have.

Q. Looking at that cheque and that stub, is that the same cheque? A. I do not think so.

MR. COMMISSIONER: Do you come across any such thing as he speaks of in his evidence?

MR. HODGINS: No, I have not been able to find the cheque he speaks of; it is not entered in the stubs.

Q. There is a $3,000 cheque on the Union Bank, January 7th, 1907; look at that cheque and tell us if that is the one you refer to? A. I could not say whether that is the cheque or not.

Q. You see it is a $3,000 cheque payable to yourself? A. Yes.

Q. And has on the back of it the denominations of the bills in which it was paid, so it would be paid in cash? A. It was paid in cash, undoubtedly; twenty one-hundreds and two five-hundreds.

MR. COMMISSIONER: What do the books show about that cheque?

MR. HODGINS: That is one that is charged in the account to fixtures and furniture.

MR. COMMISSIONER: What does the witness say about that?

MR. HODGINS: How was that cheque charged? A. I should fancy it was charged to my commissions.

Q. Would the books show? A. Should show, certainly. My recollection is in the Police Court there was a mark on the $3,000 cheque, and I cannot find it here.

Q. At whose trial are you speaking of? A. (Turns up the book of the bank.) This cheque appears to be charged to bank premises.

Q. It is pretty evident, is it not, that if that were really legitimately used for bank premises it would not be paid out to you in cash? A. Undoubtedly not.

Q. Who got the money for that from you? A. I cannot say now and I am unable to say what I did with it.

Q. The cheque that we discussed previously for $3,000 was one of the three sent down to you in Ottawa? A. My recollection, when I was in the Police Court they had those three cheques, three blank cheques that correspond, and I was confronted with one of them; that is my recollection of it, and it was marked—

Q. Well, I would like you to answer the question; when we got your evidence previously you had a very clear and distinct recollection of a cheque for $3,000, the destination of which you refused to disclose because you did not want to implicate anybody, and you said certainly the Finance Department and no official in it benefited thereby? A. Yes, I said that.

Q. Now I am asking you as to that particular cheque; I want to fix your mind on it; is it a different cheque from the one that you have in front of you now? A. I think it was.

Q. You won't account for the earlier cheque, and you say you cannot account for this one? A. No, I cannot.

Q. Can you account then for the one of the 20th April, 1907, for $6,000 which was marked account C on the stub? A. It went to my private credit.

Q. Can you tell who got the benefit of that? A. No, I could not tell that now.

Q. It looks as if banking was pretty expensive at the start? A. Yes.

MR. COMMISSIONER: Cannot you brush your memory up on that? A. I will try before you get through, but I cannot for the moment.

Q. Would not it look as if this was money somebody wanted and wanted in not too big a parcel? A. It has that appearance to me, sir.

Q. Is it not possible that that is the cheque you speak of,—if we had the stub? It is possible, I do not think it is probable though.

Q. On account of what? A. On account of the date; my mind is so fixed on December.

Q. Do you remember whether with regard to the cheque you drew the money —I suppose you would have drawn the money? A. I am sure I did.

Q. Would not that be the kind of money you would have drawn? A. Yes, sir; it would certainly.

Q. Does not it look as if that probably is the cheque? A. It might be, but I cannot say at the present moment; I will have to think that over.

MR. HODGINS: The three cheques that we sent down, one of them is identified because it was a cheque payable, on the stub, apparently, to MacCorquodale and then struck out and Guthrie & Pringle substituted, that is No. 26; No. 27 is marked cancelled? A. You should have those cancelled cheques here.

Q. No 30 marked cancelled.

MR. COMMISSIONER: It could not be any of those; they are blue cheques and this is a brown cheque.

MR. HODGINS: My idea from his evidence is these are different things? A. Where are the cancelled cheques? The cancelled cheques should have been kept that would correspond with those stubs.

Q. You can probably find that out from Mr. Shaver; I have failed to do so.

MR. COMMISSIONER: With regard to that question you have declined to answer; you will observe one newspaper has at all events made a very pointed reference to the cheque, and made a suggestion that perhaps to any one who has followed this evidence may make it appear to point to a particular person, don't you think in justice to him, if that is not so you ought to disclose? A. Mr. Commissioner, if a certain person is named and I am asked that question I will say yes or no to it. I read that scurrilous article, I thought it was unfair to try

to coerce me into it on the threat that I would probably have a further sentence, or something of the sort.

Q. I do not know that it is the same one you mean; the one I speak of was in the World? A. No, I did not see the World. A friend of mine cut out a paragraph out of the Telegram.

Q. The World has an article in which it says that it was pretty well known that a man in business—

MR. HODGINS: A well known politician and business man who is not now a member of Parliament.

MR. COMMISSIONER: Had received the money, that is what the statement was? A. Well, sir, I am prepared to say yes or no if I am confronted with the man's name.

Q. Don't you think for your own sake, to put yourself right, that you ought to disclose? A. I cannot look at it that way.

Q. Well, you are not doing this voluntarily as if you were volunteering information to anybody; this is a public inquiry, the purpose of which is to get at the bottom of things connected with this bank, and if it was not for the position in which you are a refusal to answer a question would subject you to imprisonment? A. I understand; it is not for that reason I am refusing; I would rather go to prison than tell it.

MR. HODGINS: Do you remember the certificate I have just asked Mr. Fitzgibbon about, $25,000 and two others aggregating $50,000 stock in the Keeley Mine in favour of Stockdale and Stratton in trust; were those ever out of the possession of the Farmers Bank? A. No, they never were.

Q. Did you ever see any such memorandum as Mr. Stratton spoke of attached to them? A. No, I do not think any such memorandum was ever attached to them.

EDWARD W. J. OWENS, Sworn, Examined by—

MR. HODGINS: Q. You are a practising barrister in Toronto? A. Yes, sir.

Q. I think you had a share or some small interest in the Keeley Mine, did you not? A. $5,000.

Q. What I called you here for was in consequence of what Mr. Travers has said; we have been anxious to get certain cheques or notes which were said to be in his private drawer and I understood him to say that there were some things that went to your office; I want to find out if in what went to your office there were any cheques or notes signed by Dr. Beattie Nesbitt or George Wishart or any one whose name has been mentioned at this inquiry? A. There was nothing came to my office that I knew the contents of. What did come to my office was the Keeley box papers, and that was locked and was taken by me and I think Mr. Shaver, I am not certain as to that, from my office to the Police Court and it had to be opened there; I know of no papers.

Q. How was it opened? A. I do not know whether some other officer had a key to it, probably Mr. Fitzgibbon, I am not going to be sure as to Mr. Fitzgibbon, but some other officer had the key to it and it could not be opened unless Mr. Fitzgibbon or somebody was there with the key.

Q. You delivered it over to the police authorities? A. Yes, to Crown Attorney Corley.

Q. You do not know what it contained? A. No.

Q. Never saw the contents? A. No.

Q. Did not examine them when they were opened in the Police Court? A. Did not; it was supposed to be the Keeley box of papers and Mr. Corley telephoned me had I them there and I said yes, and he said "Will you kindly bring them up to my office", and I think Mr. Shaver or some other person came and we both carried it up to the Police Court.

Q. How did you come to get that? A. It was sent over to my office.

Q. By whom? A. I cannot say, presumably Mr. Travers.

Q. Did he communicate with you at all about it? A. That I cannot charge my memory with; I knew they came there.

Q. Had you another position than that of shareholder in the Keeley Mine? A. I was then the nominal president, after the change.

Q. Were they sent over after the failure of the bank? A. Yes, shortly after.

Q. It would be either immediately preceding or immediately after the trouble that Mr. Travers got into when he was under surveillance.

Q. Did anything else reach you from Mr. Travers or from the Farmers Bank office? A. Nothing. Of course we had correspondence about the Keeley Mine matters, but nothing further than that.

Q. Did you know anything about notes or cheques signed by Wishart or signed by Beattie Nesbitt? A. Not a thing.

Q. You I suppose were one of the directors? A. Yes, at that time.

Q. And had the company regular meetings? A. They had their annual meeting and that is about all I recollect of.

Q. What about the directors' meetings? A. I do not know that the directors ever had any meetings that I can recollect of except probably the preliminary meeting to the annual meeting; the minutes would show that I suppose.

Q. There are minutes of course? A. Yes.

Q. Did you pay any active attention yourself to the matters of the Keeley mine? A. No.

Q. Why not? A. It was a matter that Mr. Travers had supreme control of and he was managing it and looking after it; there was not much doing in it as I understood, except the original incorporation and then the transformation from the then capital to a new capitalization and the issuing probably of these mortgage bonds, that is really all the business.

Q. In connection with that were you a member or director of the original company? A. That I could not say offhand; I was one of the original incorporators.

Q. You remember the reorganization? A. Yes.

Q. Do you remember Wishart's part in that? A. I cannot get the detail of that; I do not know any thing about the internal transactions.

Q. Do you remember that he was a factor in the reorganization? A. Yes, that is my impression; he had to be got rid of, I think.

Q. Do you understand he had given a note and did you hear it had been given back? A. No.

Q. Do you know anything at all about that? A. No.

W. R. TRAVERS Examination continued.—

MR. HODGINS: Continuing your evidence with regard to the Keeley Mine, you have gone over the minutes I think? A. I looked over the minutes.

Q. And can you account for the position now taken by Wishart or taken by yourself that he had to be got rid of because he would not agree to the reorganization? A. We did not get rid of him, we got him to come into line and assist us through with it.

Q. After reading the minutes how do you find that came about; it was to his interest I should judge to join in the organization; what was his objection to doing so? A. At the time he wanted to have the reorganization so that the company could be floated in England.

Q. What was there in his attitude or in his position that necessitated your giving back the note? A. He had promised a lot of people part of his stock and as I had it tied up in a pool he was anxious to get it out of the pool and have it transferred.

Q. That does not make it clear to me why you should have to give him back his note in order to get him to agree to the reorganization? A. He would not sign anything and would not agree to anything unless the note was given up. I am a little out on the date of that $25,000 note given up; I do not think it was at that date of reorganization, I think it was before that the note was given up. I could not satisfy my mind on the minutes of the Keeley mine as to the date, but my recollection is that prior to this reorganization we had talked over the matter from time to time and I insisted on the bank having a larger holding of stock, and I think that if you look at the transfer books a certain proportion of the stock from Nesbitt and Wishart was transferred about the time that his note disappeared.

Q. Just tell me what there was in connection with the note; you can describe how you got it; tell me why you gave it up? A. I gave it up because I was forced to give it up, and Wishart threatened to bring suit to dissolve the pool and to make public the investments of the bank in the Keeley Mine. I gave it up to avoid it.

Q. Did he come over here himself? A. He did on several occasions.

Q. Was he a stockholder in the bank? A. Not at that time, I do not think, but he got a friend of his to take $500 of stock in the bank, and I think it was about that time.

Q. Who was the friend? A. A man named John Costigan.

Q. Did he use the status of shareholder for any purpose? A. No.

Q. Did he say anything to you about it? A. No, he was in the background.

Q. That $25,000 note was given back and not paid, and did the bank get any benefit or advantage by giving it up? A. The only advantage the bank got was to enable me to have more control over the mine's affairs, the company's affairs.

Q. In what way? A. I had everything absolutely in my own hands then.

Q. You were not the only stockholder? A. No, but I got them to agree at that time that I would be absolutely in control, nothing would be done without my consent.

Q. Is it the case that Wishart had paid $50,000 in cash in Haileybury to Mr. Graham, who was solicitor for the Keeley-Jowsey Wood prior to the due date of that $25,000 note? A. No, he never paid a dollar unless he took my cheques and handed them over; that is the only way he would ever have paid anything.

Q. When the note came due actually on the same day, was there a transfer of stock to the Farmers Bank or to you by Wishart, $50,000? A. I cannot say whether it was the same day, but my recollection is there was a transfer.

Q. About the due date? A. I cannot say that; the books would have to show that. I remember a transfer being made on or about that time.

Q. And was that in consequence of giving up the note or the consideration? A. No, that was in consequence of my making the next payment on the mine; I refused to pay anything further unless something more was done for the bank.

Q. If, as a matter of fact, on the very due date of the note $50,000 was transferred to you or the Farmers Bank by Wishart, would the two have any connection? A. I do not think they had.

Q. Then would the reorganization have taken place some months after that? A. Yes, the reorganization took place some months after that.

Q. And would the $25,000 note have anything to do with the reorganization? A. Well, I do not think so; no, I cannot see that it had.

Q. Then when the reorganization took place you were in supreme control? A. Well, I was, yes, to a certain extent; I could not get by-laws passed and such matters unless they had consented to it.

Q. I thought you said nothing was to be done without your consent? A. My being in supreme control was this: no stock should be transferred, nothing could be done without my consent, but it would require the consent of two-thirds of the shareholders in order to carry out some of the schemes that we were in, that is the reorganization.

Q. Who were the shareholders at that time? A. The shareholders were Mr. Wishart, Dr. Nesbitt, the Farmers Bank and myself, and Mr. Owens had a few shares.

Q. You told us on the last occasion that there had been an advance practically of the first $50,000 by the bank, and then when the next payment came due a similar amount had to be made up and paid? A. Yes.

MR. COMMISSIONER: Does that mean another $50,000? A. Yes, another $50,000.

MR. HODGINS: Can you tell at all the total amount that was advanced by the bank to or on account of or charged to the Keeley Mine? A. I could not tell you the exact figures, but I think it was in the neighborhood of $600,000—

Q. Was that advanced in cash? A. In the first place the $300,000 was paid for the property; there was about $60,000 invested in machinery and about $15,000, I think, on buildings, and then the mine cost about $5,000 a month; $120,000 paid out in wages and supplies; the books would show that; I could not tell you offhand.

MR. COMMISSIONER: How long was it operated then? A. It was operated from May, 1908, 1909, and 1910—about two and a half years.

MR. HODGINS: The date of reorganization appears to be, as far as I can make it out, about December 14th, 1908, when there was a call loan put through for $350,000? A. That may be.

Q. December 4th, 1908, appears to be a meeting of the provisional directors of the Keeley Mine, Limited, that is the reorganized company, is it not? A. Yes, that will be the reorganized company.

Q. The president, William J. Trounce, in the chair; Hiram J. Pritchard, secretary; and William T. Taylor. This resolution was carried: "That the offer of the Keeley-Jowsey-Wood Mine, Limited, to sell out to this company in terms as follows; that the Keeley-Jowsey-Wood Mine, Limited, make an offer to the Keeley Mine, Limited, to sell, transfer and assign all its bonds to the Keeley Mine Limited, in consideration of the assumption by the Keeley Mine, Limited, of all the liabilities of this company and two millions stock fully paid up, and non-assessable in the capital stock of the Keeley Mine, Limited, the said stock to be issued to the following shareholders of this company, viz,:

W. R. Travers	100,000	shares
George Wishart	100,000	"
William Beattie Nesbitt	99,999	"
E. W. J. Owens	1	"
The Farmers Bank of Canada	100,000	"

be and is hereby accepted"—that would be the terms on which that went through? A. Yes.

MR. COMMISSIONER: There is nothing there about $300,000; and Mr. Owens is down for only one share? A. I transferred some more to him afterwards.

MR. HODGINS: Up to this date, December 4th, 1908, I find there were three payments and an over-drawn account; I will just read you the items: May 29th,

1908, $25,000; May 30th, 1908, $25,000; August 15th, 1908, $50,000; those three would be the payments we have been speaking of? A. The first two, May 29th and May 30th, would be the first payment of $50,000.

Q. August 15th, $50,000 would be the second payment? A. Yes, I would say so.

Q. The next item is overdrawn account, December 17th, 1908, $61,374.31; speaking generally, what does that represent, operating expenses or further payment? A. Cheques of the Keeley Mine will show that; that is, June, July and August; it would not be operating expenses. But there were buildings, we built a road there that cost three or four thousand dollars.

Q. I want to find out what the situation of you and your associates was before the transfer that I have just read you of December 4th, 1908; the first two payments were made, one on the note of Beattie Nesbitt, another on the note of Wishart, of $25,000? A. No, Beattie Nesbitt never gave a note, not for that.

Q. Was it simply charged up to him? A. No, it was not charged up to Nesbitt even.

Q. What was done with it? A. It went through a special account of my own. The ledger will show that I drew a cheque and marked it special account for this transaction.

Q. Beattie Nesbitt got the stock did he not? A. Yes.

Q. In the Keeley-Jowsey-Wood Mines, Limited? A. Yes; he got the stock for putting the deal through; he had the option.

Q. He got $25,000 of stock? A. He got more than that; the original one was one million dollars, and the second one was two and a half million; and of the first million dollars Nesbitt got, I think, $350,000.

MR. COMMISSIONER: Does that mean that Nesbitt was to have his interest for the introduction of the property? A. Yes.

Q. Paid nothing? A. Paid nothing at all.

Q. He was to pay nothing? A. He was to pay nothing.

Q. I thought you mentioned previously that Nesbitt was to pay $25,000 and he did not pay? A. No, Nesbitt was to get $25,000 deposit for me so that I would not feel the drag on the bank.

MR. HODGINS: He was not personally to pay anything? A. No, he could not pay anything at that time; he had nothing to pay with.

Q. He was to get whatever interest he got for turning over the option? A. Yes.

Q. Was the option in his own name or his and Wishart's? A. No, it was in his own name.

Q. The option was for $300,000? A. Yes.

Q. So he charged for the option and got his interest in the mine, in this million dollar capital, of $350,000 for nothing then? A. Yes, absolutely so far as paying any money was concerned, yes.

Q. The $25,000 was represented by a charge to your special account? A. Yes

Q. $25,000 and by Wishart's note which was discounted was it not? A. Yes.

Q. And then when the second payment came to you of course Beattie Nesbitt was not to pay anything more? A. No, we did not expect at that time that anybody would have to pay anything more.

Q. Who was the $50,000 paid to? A. That was paid to Keeley, Jowsey and Wood at Haileybury at the Union Bank.

Q. Who was it charged to in the Farmers Bank? A. I cannot say whether it was charged to me in my special account or whether we had opened an account for the company at that time.

Q. It appears to be charged in an account called Keeley-Towsey-Wood Mine Limited, just charged up to them? A. That is where the payment was made to out of the bank funds.

Q. The two earlier payments appear in the same account as discounts? A. After the company was formed it was transferred over from my special account in order to commence the records of the company from the date of the purchase of the option.

Q. What was put through to authorize the charge of $25,000 was to discount a note of yours? A. No, the note of the company.

Q. There were two notes discounted on May 29th and 30th $25,000 each? A. Yes, I believe there was, one was Wishart's and one was the company's.

Q. Did Beattie Nesbitt's interest increase over the $350,000 in the original company? A. No, it did not.

Q. To whom was the other stock issued? A. The other stock was issued to Wishart, the Bank, Mr. Owens and myself.

Q. In what amount? A. Mr. Owens' was a small amount, one share, you saw that; and the others were equal amounts.

Q. $1,650,000 to be—? A. No, it was $1,000,000, the first company was $1,000,000.

Q. You had $650,000 to divide up? A. There was $650,000; my recollection is, the Keeley Mine Stock book would show that one-third of the $650,000 went to Wishart and one-third to myself and one-third to the bank.

MR. COMMISSIONER: Why do you say $650,000? A. $350,000 went to Nesbitt, that is my recollection.

Q. That was his total interest? A. Yes.

Q. When the capital came to be increased to two and a half millions, did he still remain at $350,000?

Q. Then it was divided equally, $500,000 to Wishart, $500,000 to Nesbitt, $500,000 to me and $500,000 to the Bank.

Q. That is only two millions? A. We kept $500,000 in the treasury.

Q. His holding increased then? A. Only nominally; we doubled the capital; it rather decreased.

MR. HODGINS: The thing started off with Beattie Nesbitt having $350,000 of the stock in the original company as against $200,000 to each of you three? A. $200,000 apiece, yes; the Keeley Mine stock ledger will show that exactly.

Q. What was the cause of his interest when it was turned over to the new company being decreased? A. A general understanding that the stock was to be divided that way; my mind at that time was to increase the bank's holdings and my holdings.

Q. You spoke of Nesbitt and Wishart having turned over an amount? A. That would be back about the second payment.

Q. That would be in the original company? A. Either the second or third payment. The first was in May, the second one was in August and the third one I think was a month or so later, and that is when I found out I had to go on and assume the whole responsibility of the payments I demanded more of the stock.

Q. You made after August another payment of $50,000? A. Yes, we went on making payments at certain intervals, I do not know whether there was 30 or 60 days between, till we had paid $300,000.

Q. Payments after the first two $50,000 were at the rate of $40,000? A. No, they were always $50,000, but we got paid something on account and had them extended; we did not pay the full each time; we would pay something, sometimes half of them, sometimes $20,000 and then ask a further extension for 30 days.

Q. You had no obligation from Beattie Nesbitt; you had a $25,000 note from Wishart, and the payments were coming due; did you get any securities from anybody else? A. No.

Q. Then when you parted from Wishart there was no security standing in the hands of the bank, nothing but the bank's interest in the company? A. None whatever.

Q. You formed the new company and took the transfer over in the way I have spoken of; how did you charge that $5,000 that Beattie Nesbitt got out of that $10,000 cheque that Lindsay cashed, how did you enter it up in the books? A. I did not enter it at all; I told you I exchanged that for another cheque for $5,000.

Q. Was there a payment made to Beattie Nesbitt in December later on? A. Payment made to him?

Q. Yes, of $5,000? A. I think there was.

Q. How was that charged? A. That was charged to the Keeley Mine.

Q. Why was it charged to the Keeley Mine? A. That was for Nesbitt arranging the reorganization in order to get the new company in operation.

Q. I do not see what benefit you got through that? A. I felt at that time we had to do something and the million dollars capital, it was $5 a share and we had to get a larger capital in order to float it.

Q. It does not cost $5,000 to get a new charter? A. No, the $5,000 had nothing to do with it, that was Nesbitt's demand of $5,000 at that time.

Q. What was he doing to earn it? A. He was getting Wishart into line and assisting me to get the thing through.

Q. I have been unable to understand why Wishart should hold the key to the situation; you and Beattie Nesbitt and the bank could out-vote him? A. We felt that we had to play friendly with him at that time, I did, had to give in to anything he wanted.

Q. What was his hold over you? A. His threat always to bring a suit to dissolve the pool and get the stock.

Q. Well, what would have been the result of that? A. The result of that would have been better for me if it had been done, the result would have been that the advances of the bank to the Keeley Mine would have been exposed.

Q. They had only made these two advances, had not they, May and August? A. There was more at that time, at December.

Q. $100,000? A. More than $100,000 at that time.

Q. You thought that this suit would disclose the advances to the bank by the mine? A. Yes.

Q. Did Wishart make that threat? A. Yes, he made that threat, threats to that effect.

Q. He must have made those threats prior to August 15th, because that is the date of the second payment? A. When the second payment came along, when it came due, the friction began.

Q. How long did the friction last? A. Until after reorganization.

Q. I thought you told me a little earlier this morning that you got rid of Wishart some time before? A. I never got rid of him; from the very first to the last I was trying to get him in line so that I could work.

Q. Was his position any different from any other stockholder? A. No, his position was no different, but if he had started that suit against the bank and myself and dissolved the pool, why it would have made trouble, that is all.

Q. Had he any grounds for such a suit? A. I could not see that he had.

Q. Was the pool a written agreement? A. Yes.

Q. It was his interest was it not, to have this mine reorganized and the stock unloaded, as you said, on the suffering public? A. Yes, it would be for him to get his share out of it certainly.

Q. I wish you would give me some idea how it was he was able to hold you up to that extent that you had to pay Beattie Nesbitt $5,000 to get him into line and give him back his note and give him an equal share with you in the mine? A. That is very plain. We could not possibly reorganize with one of the directors and President of the bank (the witness means company) refusing to take any action in

the matter and the Vice-President—I cannot say that Nesbitt refused to do it, but Nesbitt at that time managed Wishart.

Q. Was Nesbitt acting in the same way as Wishart? A. No, I cannot say as he did; he thought he ought to get something out of it.

Q. I may be dense, but I do not really understand the situation that you got into at that time which necessitated— A. The situation that I was in at that time was I was afraid they would disclose the advances of the bank to this mine; I did not know where I was at at this time.

Q. Was Beattie Nesbitt your President? A. Not at that time.

Q. When did he become President? A. The 26th November, 1906.

Q. When did he cease to be President? A. On the middle of January, 1908, about that.

Q. What position did he occupy, was he a director or vice-president, after that of the bank? A. He had no position at all in the bank.

Q. What did you mean by referring to the president of the bank or the vice-president refusing to take action? A. I meant the president or vice-president of the Keeley Mine, not of the bank; Wishart was the president and Nesbitt was the vice-president and I was the secretary-treasurer.

Q. At all events you reorganized and paid Beattie Nesbitt on December 14th, 1908, the $5,000 really for getting Wishart into line? A. Yes.

MR. COMMISSIONER: Perhaps you would ask him why he did not give him stock instead of cash.

MR. HODGINS: Why did you not give him stock instead of cash? A. Because he wanted the cash at that time; I could not say why; it never entered my mind until now. He had all the stock he wanted at that time.

Q. It was money he wanted? A. Yes, it was money he wanted then.

Q. Did he tell you he could get Wishart into line for that amount of money? A. He did.

Q. Did he tell you so before he did it? A. He must have or I would not have given him the money.

Q. You remember it? A. I cannot remember him saying he would do that, he is not that kind of a man, he never speaks out exactly what he means; he meant that anyway.

Q. You understood he meant that? A. Yes.

Q. You paid it out to him on the 14th? A. It went to his credit, you will find it in the ledger.

Q. It was paid before the transfer was actually consummated? A. I cannot speak as to that but I think it was just simultaneously.

Q. December 4th, is the first meeting of the Keeley Mine Ltd. the new company? A. Yes.

Q. The allotment of stock was made, and you and Wishart and Nesbitt were elected directors, Wishart was appointed president, Beattie Nesbitt, vice-president, yourself secretary-treasurer and then it appears to have been moved and seconded and unanimously carried that the offer of the Farmers Bank of Canada to underwrite $500,000 of the capital stock of the mine at a discount of 30% be accepted and the same be alloted in the name of W. R. Travers in trust, the said stock to be disposed of in such manner and way as the said bank may determine. The account was to be kept and you were to have the signing in your discretion of the cheques and so on? A. Yes.

Q. It was after that that you signed the cheque to Beattie Nesbitt? A. No, I signed a cheque of the mining company for $5.000; I do not know whether I made it to his order or not; at all events it went to his credit in the bank books.

Q. Went to his credit in the Farmers Bank? A. Yes.

Q. And he accordingly checked it out? A. Certainly.

Q. It was not paid to him in money? A. No.

MR. COMMISSIONER: That was part of the over-draft of the Keeley Mine I suppose? A. Yes.

MR. HODGINS: Did Wishart get any money? A. I do not remember giving him any at that time, no.

Q. What was his original interest in the mine? A. His original interest as I have explained to you before shows in the books of the Keeley Mine a certain amount of stock.

Q. When Beattie Nesbitt took over the option had Wishart any interest in it? A. He had no interest at that time; Beattie Nesbitt and myself went to New York and got Mr. Wishart interested in it, thinking that he would be able to float it, and that we could turn it over and make some money out of it; that was the origin of it.

Q. When it came down to the reorganization you had given him back his note, he had put up no money? A. Not a cent.

Q. He had over $200,000 of stock and he got on the reorganization $100,000, an equal amount with you and Beattie Nesbitt? A. Yes.

Q. What did you give him that for? A. Why?

Q. Yes? A. How could we get rid of him?

Q. I suppose if he got his note back he would hand back his note? A. No, he did not. At the time he gave his note back if you look at the transfer book of the Keeley Mine you will find an additional amount of stock was transferred to the bank, that is as I recollect it now.

Q. The three persons that were interested, yourself, Beattie Nesbitt and Wishart do not appear to have put a cent up to the time of the reorganization into the bank? A. There was not anybody ever put a dollar into the Keeley Mine from start to finish but the Farmers Bank.

MR. COMMISSIONER: Why did you not, when they defaulted, close them out, if you were going to make these advances? A. I was afraid of them.

Q. There would have been only $50,000 then invested? A. I wish I had.

MR. HODGINS: Did Beattie Nesbitt make any threats that he would bring an action to dissolve the pool? A. No.

Q. Or was he associated with Wishart in that attitude? A. No, he never made any threats.

MR. COMMISSIONER: Was there any agreement about these advances, was the Farmers Bank protected in any way? A. Yes, there was the original agreement, before the first $50,000 was paid—that agreement should be among the papers; I have seen it during the giving of my evidence—which was to the effect that if I paid this $50,000 that the affairs of the company should remain in my hands until the bank was paid off and that all the stock should be pooled until the bank was paid off.

MR. HODGINS: You having got that, you entered into it as general manager of the Farmers Bank and the money having been advanced they proceeded to make it uncomfortable and you say these payments and this stock is the result? A. Yes; I would not say that as to Dr. Nesbitt; I won't say he took that stand.

Q. He seems to have been equally favored as if he had? A. He thought he was entitled to it; we thought it was very wealthy at that time; I thought we would make big money out of it. I was in New York and I was offered $500,000 cash for it in the presence of Mr. Yarker, the manager of the Clearing House in Toronto; I took him down on purpose as a witness as an old friend of mine and I thought we had a real proposition.

Q. Did you pay Dr. Nesbitt anything more than $5,000? There is another W. Beattie Nesbitt amount charged to profit and loss and from there to Keeley Mine stock and bonds, $5,000 later on; can you throw any light on that? A. What date is that?

Q. It is not dated in the statement I have, but it is later because it is charged into Keeley Mine stock and bonds account, which was a later account? A. I cannot recall that just now.

MR. COMMISSIONER: How did that go out?

MR. HODGINS: That $5,000 when paid to Beattie Nesbitt was charged up on loan.

MR. G. T. CLARKSON: Charged up to profit and loss? A. I do not think it was charged as a loss.

MR. COMMISSIONER: Profit and loss in the bank books?

MR. G. T. CLARKSON: Yes.

MR. COMMISSIONER: How did it come back from profit and loss?

MR. G. T. CLARKSON: They credited profit and loss and charged Keeley Mine Stock and Bonds, then it appeared as an investment in stock.

MR. COMMISSIONER: In the stocks and bonds of the company?

MR. CLARKSON: Yes.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., May 27th, 1912.

W. R. TRAVERS Examination continued.—

MR. HODGINS: In the prospectus of this Keeley Mine Ltd. amount payable to the three original owners is given as $180,000 out of the issue as stock? A. That cannot be right.

Q. It says so here in the prospectus; look at it? A. That is the balance of the $300,000.

Q. The $120,000 would have been paid before that? A. Yes.

Q. The liabilities of the company at that time amounted to $215,655 according to the prospectus, machinery, supplies, coal, pay roll and borrowed money? A. I presume so.

MR. COMMISSIONER: That borrowed money being what they owed the bank? A. Yes, sir, in fact it was all owed the bank; there was no other money came into it.

MR. HODGINS: After the reorganization there is I see a transfer here of 50,000 shares of Wishart's stock to Pakeman, of London, and Whitney, of New York; has that anything to do with the transfer of some of Wishart's shares that you spoke of? A. Those are Wishart's shares.

Q. You said Wishart and Beattie Nesbitt had transferred shares? A. Not those shares; that is a different matter.

Q. From the time of the incorporation of the new company you had practically the control? A. So far as the money part was concerned, yes.

Q. And advances were made right on through 1908, 1909 and 1010? A. Yes.

Q. What was the method adopted? A. The company gave its note and we placed the money to the credit of the company and it was checked out by the company's checks signed by me.

Q. No further security taken than notes of the company? A. Not until we took the bonds, no.

Q. Not until you took the bonds of the company? A. Yes.

Q. There are two balance sheets here shown the 30th April, 1909, and the 30th April, 1910, which show that on the 30th April, 1909, there were bills payable, call loans, Farmers Bank of Canada $355,000, as well as over-draft of $7,111; and 30th April, 1910, bills payable increased to $518,561? A. I presume that is right; Mr. Clarkson has the books there.

Q. On the 19th May, at a meeting of the directors, they appear to have authorized the issuing of a million of bonds of the Keeley Mine? A. Yes, I presume that is the date; they did so.

Q. Which are described here as secured by a mortgage to the Trusts & Guarantee Company, Limited? A. Yes, the Trusts & Guarantee Company issued a trust mortgage for one million dollars and then the debentures were made of smaller amounts; I have forgotten what they were.

Q. "The said bonds to be pledged to the Farmers Bank of Canada to secure all indebtedness of the company, present and future, to the bank"? A. Yes.

Q. Were they so held from the time they were issued in May, 1910? A. They were.

Q. Until they were pledged? A. With the Trusts Company for the $100,000 that was borrowed.

Q. That was shortly afterwards? A. That would be in August of the following year.

Q. Then was interest charged up on these payments? A. Yes.

Q. How did it increase to such a very large amount? A. The books of the Keeley Mine will show how it was paid up.

Q. Speaking generally, what was the money used for? A. The money was used for operating expenses and machinery account, interest.

Q. Did you put up buildings? A. Yes, we put up buildings; we had very fine buildings there, the best in that country.

Q. Did you put in a gas plant? A. We put in a gas-producing plant, yes.

Q. Was that very expensive? A. Yes, it started out with $29,000 and ended up with about nearly $50,000, I think.

Q. What did your buildings cost in round numbers? A. I think about $15,000.

Q. Your machinery? A. Something like $50,000; the books speak for themselves.

Q. That was the gas producer plant? A. Yes, but through the mistake of the manager the gas-producing plant was ordered improperly; that is to say, the parts that were put in were not in proportion to the strength, and we had to send to England and get new parts for it and charge them, and that is where the additional cost came in.

MR. COMMISSIONER: I thought you made $30,000 before as the cost of the building? A. I think I said $15,000. The figures are all in the books. Mr. Clarkson could prepare a statement which would be exact.

MR. HODGINS: Yes, I only want to get what the money was spent for. I see that in your prospectus you say there is being installed over $25,000 worth of machinery, half of which is now on the property and the camp is most thoroughly equipped, having two bunk houses, one mess house, office and assaying office, with full equipment, blacksmith shops, etc.; in fact, with everything necessary to carry on successful mining. Then interest was charged upon these advances from time to time? A. Yes, they were charged up to the company's account.

Q. Was this matter ever brought before the directors of the bank? A. No.

Q. In what way was it kept from them? A. They never asked anything about it and I never said anything to them about it.

Q. They did not know you were investing all this money in the mine? A. They knew that I invested it in the beginning, but as the whole of the directors were prepared to swear that they did not know about it, that they authorized $5,000 when the first payment was $50,000 and they could not remember about anything else that was in the books, so I pleaded guilty to that charge that they did not know anything about it.

Q. You never reported these large advances? A. I never reported after the first payment was made.

MR. COMMISSIONER: That is the first $50,000? A. Yes.

Q. Is there a record of that in the minutes? A. The first $50,000 was changed from $5,000 to $50,000 in the minutes, and they indicted me for forgery for that and I pleaded guilty to it.

Q. What does that mean? A. It means that the directors were prepared to swear that that was $5,000 advance, not $50,000, and that I had changed it after the meeting.

Q. What was the fact? A. The facts were that it was changed between the first meeting and the meeting that the minutes were confirmed at.

Q. It was changed after the meeting? A. It was changed after the first meeting.

Q. Why? Because my stenographer took it down wrong and I called my secretary downstairs, which she will be prepared to swear, and I had the change made there and then, before the minutes were read at the next meeting.

Q. In the presence of the members of the board? A. No, they were not there; that is the only information.

Q. Where did you keep the minutes as the meeting went on, on a slip of paper? A. I kept the minutes on a slip of paper and had them copied in a book.

Q. And the paper destroyed then? A. It should not have been destroyed; I thought they were all there at the time my trial took place, but it appears they were not.

Q. It is quite true that the change was made? A. Yes.

Q. It was only made on account of the mistake in entering it as $5,000? A. Yes.

MR. HODGINS: After that? A. After that I did not report anything to them at all.

Q. I suppose when the change was made, the minutes would come up for confirmation? A. Yes.

Q. And would be read as in the changed form? A. I say that I read those minutes to the board as $50,000 and they were confirmed as that.

Q. You thought they were confirmed, and that is your idea, at that figure? A. Yes.

Q. That was in 1908? A. Yes, 1908.

Q. And the directors evidently did not know there was any change at that time? A. Why, no; there was nothing said about it at all.

MR. COMMISSIONER: This is June 17th.

MR. HODGINS: Then there was no feeling between you; no reason why you should not have reported anything further? A. No, they would have granted anything I asked them.

Q. Why did you not report anything further? A. I read the $50,000.

MR. COMMISSIONER: Did you notice this (page 133): "The general manager explained the formation and interests in the Keeley Mine which was satisfactory to the board, and further advances were authorized if necessary". Did they say that was put in? A. Yes, that is what they said after I was arrested.

Q. That those three lines I have read were interpolated? A. Yes, sir.

MR. HODGINS: What is your reason for not having reported these advances to them from time to time? A. I explained the matter to them fully at first and told them I did not know how far I would have to go; I did not think I would have to pay anything more than the first payment and that we stood to make large money for the bank out of it.

Q. I should have thought that even if you had distinct authorization, their interest in the thing would cause them to ask you from time to time how it was getting along? A. They did not do so.

Q. I suppose you found the advances were so large you were afraid to report? A. Yes, that is true.

Q. Were any members of the bank at that time members of the Keeley Mine Directorate? A. None but myself.

MR. COMMISSIONER: What was their explanation as to what explanation you gave as to their credit; the directors were examined, were they, about it? A. No, they were not examined about it.

Q. You do not know what their statement is? A. No, my solicitor told me that they were prepared to swear that that change was made unknown to them. and I had not a leg to stand on; I might as well plead guilty to it; that is the way it was.

MR. HODGINS: There were two accounts; one the Keeley Mines, Limited. account, and there was another one later called the Keeley Mine Stocks and Bonds Account, was not there? A. Yes.

Q. Why were there two accounts? A. Because the one account was the direct advances of cash to the Keeley Mine; the other was the $500,000 stock that was given as a bonus to the bank that was picked up as we required to cover up a loss.

Q. What do you mean by picked up? A. Picked up, carried into the books; it was not carried into the books when it was given; the $500,000 was simply kept on hand without any entry in the books at all.

Q. Do I understand that if you made a loss in some other transaction that you would carry this into the books to offset that loss? A. We did.

Q. A sort of dumping ground for losses? A. I considered that the stock was worth $300,000, 60 cents on the dollar, and I was using that surplus for the purpose of making profit.

Q. Or covering losses? A. The same thing.

Q. Is that another phase of banking, making profits and covering losses are the same thing? A. If your expenses are greater than your profits and you pick part of that stock up and credit it to profits then you are reducing—

Q. That is what you mean by making profits, manufacturing profits? A. I do not consider that manufacturing profits.

MR. COMMISSIONER: I suppose if it had been an ordinary business transaction it would have appeared as an asset of so much value at the time I got it? A. That is what I should have done.

Q. Instead of that you used it from time to time where you were running behind, appropriated it to meet the deficiency? A. That is exactly what was done.

MR. HODGINS: How were the call loans and current loans charged—to the Keeley Mines Limited? A. The call loans were the Keeley Mines Limited.

Q. Was anything else put in the account called Keeley Mine Stocks and Bonds—other losses in other transactions? A. Advances that were made to me.

Q. To what extent? A. $90,000.

MR. COMMISSIONER: What does that mean? A. I borrowed on this stock that was in my name $90,000.

Q. That is your stock? A. Yes.

Q. From the bank? A. Yes, the same as other directors of other banks borrow, and it was charged up to the Keeley Mine. There was $50,000 in one transaction and $40,000 in another; there was one hundred and fifty thousand dollars of my stock at 60 cents on the dollar transferred to the bank direct.

Q. You had how much stock? A. I had $500,000 worth; I took the stock not thinking it was a personal matter, but to protect the bank.

Q. That was after it was re-organized for the second time? A. Yes, the second time.

Q. Because originally in 1908, in the Keeley Mine you got 100,000 shares, $5 a share? A. No, that is not $5 a share. One hundred thousand would be five hundred thousand dollars; the first amount was only two hundred thousand.

MR. COMMISSIONER: About $200,000? A. Yes, about $200,000.

MR. HODGINS: I am speaking December 4th? A. Then I got $500,000.

Q. 100,000 shares at $5 each? A. That is the original stock.

Q. I am speaking of the 4th December, 1908? A. Yes, that would be right.

MR. COMISSIONER: Were they $5 shares? A. They were $5 at first.

MR. HODGINS: At this time in December, 1908 they became $5, they became $1 later on? A. Yes.

Q. When you speak of your stock you mean that $500,000? A. No, I mean $500,000 that was in my name personally.

Q. That is the one I am speaking of? A. Yes.

MR. COMMISSIONER: That is what you describe as yours, it was for your trouble and your work? A. Exactly.

MR. HODGINS: There is another 100,000 shares at $5 each in the name of the Farmers Bank of Canada? A. Not in the Farmers Bank, myself in trust.

MR. COMMISSIONER: Follow up what that $90,000 is?

MR. HODGINS: You say you borrowed $90,000 in two sums of $40,000 and $50,000 on this stock? A. I did.

Q. What you call your own? A. Yes.

Q. What became of that money? A. I take the responsibility of that, I pleaded guilty to it in the Police Court, I used it, part of the property that I used it for I turned over to the liquidator.

Q. We are interested of course to find out where that money went, because it is a very serious matter if we are not able to recover any of the money for the shareholders or depositors, it was a very large sum? A. I cannot account for it all.

MR. COMMISSIONER: Cannot you tell in the main? A. I think the liquidator got about $75,000 worth of property, I do not know what he sold it for.

MR. HODGINS: If you tell us first what you put it into we would have a better idea? A. I put it into Rosedale real estate, part of it, I think about $40,000 there; it was sold for about $27,000 I think.

Q. Is that your house? A. Yes.

Q. You put $40,000 into that? A. I put that and the land that was there.

Q. And it was sold for $27,000? A. $22,000 the house was sold for and the lot was sold before that went into the liquidator's hands for $5,000.

Q. That is hardly credible since 1908, since that time property has been going up in Rosedale? A. It is not credible; I say my house was sold for $27,000 which should have been sold for about $30,000.

Q. How do you say you put about $40,000 into real estate? A. Because I put about $35,000 into that real estate alone; I had three lots there that I refused $16,000 for.

Q. You paid $16,000 for? A. I did not pay $16,000 for anything, I say I refused that for three lots there.

Q. How much did you buy? A. I bought three lots.

Q. What size? A. One was 70 x 120 and the other was 60 x 120, and the other 60 x 120, 190 feet in all.

Q. What did that cost you? I have just told you in the neighborhood of $35,000 with the house and everything on it.

Q. You built the house? A. Yes.

Q. What did you pay for the lots then? A. I paid $3,600 for one lot and $5,000 for the other, those two.

Q. What for the third? A. The third was something like $5,000, I have forgotten just what.

Q. That would be about $15,000? A. Yes, about $14,000.

Q. What did the house cost you? A. The house cost me about $16,000.

Q. That would be about $30,000? A. Yes, but I made improvements there; I sodded the place, I put in shrubbery, I improved some trees around there, I built a garage, I connected the waterworks with it; I have not got my private books.

Q. When did you do this? A. I did this in 1907 and 1908.

MR. COMMISSIONER: Q. Did you keep a book showing? A. No, I had not anything but my private cheques, I do not know what has become of them.

MR. HODGINS: Q. The $40,000 was not drawn till January, 1910? A. I am not going to say anything about the $40,000 beyond I pleaded guilty in the Police Court.

Q. I thought we were speaking on that? A. I say out of the moneys I took I am accounting for a certain portion of it that was turned over to the liquidator.

Q. I am going a little further than that, I want to see whether we can tell what you did with the $90,000? A. You cannot, because I do not remember.

Q. I am trying to help your memory by suggesting that if you take the amounts you paid for these various things you would get a pretty good idea where the money went to; that cannot certainly refer to the $40,000 because that was not advanced till January, 1910? A. No, I say of all the moneys that were referred to the Police Court on which I pleaded guilty, every dollar that was short was mentioned to the Police Magistrate when he sentenced me, and I am taking the responsibility of it all.

Q. That is you are taking the responsibility of misappropriating it, is that what you mean? A. The charge that was laid against me.

Q. But it is of a considerable interest to know if possible where the money actually went to? A. I have not a dollar of it, it is all gone.

Q. You ought, I think, to try and help the depositors? A. There is nothing the liquidator can get back out of it, or I would be very glad to help him.

Q. Why not let him try? A. Because I know it would be no use.

Q. Did you disclose to the liquidator what you did with this $90,000 money? A. No, I did not. I was arrested so quickly and they locked me up and gave me no chance for my life and therefore I had no chance to help the liquidator.

Q. But since then, since the trial was over? A. The liquidator has talked to me about it several times and I have done what I could.

Q. Of course if you have told him what became of this $90,000 it would be quite sufficient for us to get a statement from him, but have you done so? A. No.

Q. Are you objecting to? A. I am just now.

Q. Why? A. Because I do not think it will do any good so far as I am concerned.

Q. You are the only man who has had a chance to consider that question up to the present time? A. Well, I think I have taken the responsibility and taken my sentence on it, and I do not see I should follow that up; it has gone, I have not a dollar.

Q. If you could restore it now, you would be glad to do it? A. If I had the money or could get my hands on it, I should give it back with the greatest of pleasure.

Q. Why do you not give the liquidator a chance of seeing whether he can realize it? A. I do not think he could, it was paid out in different ways.

Q. Was it put into the Welsh Mine? A. There might have been some in, I do not remember just now.

Q. Have you any stock in there? A. Not in my own name, there was some stock held in trust for the bank.

Q. Who has got that? A. I think Wishart swindled him out of it, didn't he? Wishart was handling that.

Q. How much went into that? A. About $35,000.

Q. And did that stand in your own name or in the bank? A. No, that stood in the bank's; that is apart from this other.

Q. It is apart from the $90,000? A. Wishart owes the bank $50,000 now.

Q. I am speaking of the $90,000, bear that in mind; I thought you said part of it might have gone into the Welsh Mine? A. No, the Welsh Mine was a separate transaction of itself; that speaks for itself in the books.

Q. What is the reason that you won't say anything about the $90,000 because it was taken by you and appears in the Keeley Mine account? A. It was borrowed by me, I borrowed it; I did not disguise it, I showed it in the books.

Q. Who did you show it to? A. Mr. Fitzgibbon made the entries, and there was no secret about it in any shape or manner.

Q. Did the directors know that? A. They could have if they had asked about it.

Q. You did not tell them? A. No.

Q. Frankly admitting you got it, that accounts for it in that way, but the liquidator is most anxious, and so am I, that if possible, some part of it should be recovered? A. I would tell him if it could, if a dollar of it could be recovered, I would tell him.

Q. You are not able to give him the satisfaction of knowing he cannot get it? A. Not to-day, no.

MR. COMMISSIONER: What does that mean, that it was applied for purposes of your own? A. Some of it, yes.

Q. And some not? A. Yes.

Q. Are we up against the same snag as we were about $3,000? A. Yes, I was just about prepared to tell you the other one till I read that Telegram's article and then I thought I would quit when they put such an article as that in, I was doing my best.

Q. You ought not to hold the community for that? A. I may tell you privately before we get through with it; I am not prepared now; I am thinking over it very seriously; it is worrying me very much.

Q. Those letters you handed me they all showed that a great many people are suffering from this; even if they cannot get any money if they got a little satisfaction in knowing what became of their money? A. It went into the Keeley Mine, practically, that is where the money has gone; if I had had three months longer, nobody would have required to have made any requests about it at all.

MR. HODGINS: This $90,000 did not go into the Keeley Mine? A. I did not say so.

MR. COMMISSIONER: He means the money these people have lost? A. The depositors money went into the Keeley Mine.

MR. HODGINS: There are two other sums of $15,000 and $20,000 in addition to the $90,000 that were taken by you, were there not? A. Yes, they were borrowed by me.

Q. On the same stock? A. Yes.

Q. And are represented now by Keeley Mine notes, are not they? A. Yes, I borrowed through the Keeley Mine by using the Keeley Mine notes for the purpose of avoiding the directors' liabilities to the Government.

Q. Did you make a Keeley Mine note and then put it into the bank and take the money out yourself? A. I made a Keeley Mine note and then credited the Keeley Mine with it and drew a cheque of the Keeley Mine to my order.

Q. And took the money? A. Deposited it to my credit.

Q. That would make $125,000, the $90,000 and $15,000 and $20,000? A. The liquidator has the whole amount there.

Q. That is he has a detail of the whole amount? A. Yes.

Q. I am bringing that to your knowledge in order to ask you if you would let me know what was done with that or whether you would rather consider that as well? A. I will.

MR. COMMISSIONER: I do not understand how that was put through the books, the Keeley Mine note? A. The Keeley Mine directors passed a resolution

that I could use the company's name in any way I saw fit, I think that is about the size of the resolution, and I made a Keeley note for $20,000, I credited the $20,000 to the Keeley Mine and then drew a Keeley Mine cheque.

Q. Credited where? A. Credited the proceeds of the note to the Keeley Mine account in the bank, then I drew a cheque of the company to my personal order.

Q. MR. HODGINS: I do not see how that would work, the Keeley Mine borrowed from the bank $20,000, gave a note for it? A. Yes.

Q. That is the first step; the money was paid to whom for that? A. The money was paid to me.

Q. What was done with it? A. The proceeds of that note was credited to the Keeley Mine account in the bank and then a cheque of the bank was drawn to my personal order.

MR. COMMISIONER: What account are you reading from, Mr. Hodgins?

MR. HODGINS: From the Keeley Mine account; that was simply put into the account as a Keeley Mine note, that is the security which represents this advance of $20,000 and $15,000 ostensibly on account of Keeley Mine and it really went to Mr. Travers.

MR. COMMISSIONER: Of course it would properly appear in the Keeley Mine account the way he described it, they discounted the note.

MR. HODGINS: You did not actually discount the note in the sense of putting it through the discount? A. I did discount the note.

Q. I thought you just left it in the bank without discounting it? A. No, you are wrong, I discounted.

MR. COMMISSIONER: You said you discounted and carried the proceeds to the credit of the Keeley Mine account? A. Then I drew a cheque to my personal order and credited my own account with it.

MR. HODGINS: That was apparently November 3rd, 1910? A. Very likely.

Q. That is a little more than a month and a half before the bank failed? A. Yes, but it was not all used, the $20,000, in one moment; my personal account will show that is chequed back for two weeks.

Q. Where is your personal account? A. In the ledger of the bank.

Q. Have we access to your personal cheques? A. No, I do not know; I sent them up to my house and I have never seen them since.

Q. When did you send them to your house? A. I told you the other day; the day the bank failed.

Q. I thought you said they were sent to Mr. Owens? A. They were sent to Mr. Owens with the Keeley Mine box, that is my impression, and they were sent up from there to my house.

Q. Did you ever see them at your house? A. No.

Q. Did you ever inquire from any one whether they got there? A. I have since the failure of the bank, yes.

Q. What was the result of your inquiry? A. I have not had any chance; I have been in jail all the time.

Q. When you were arrested the first day, that was the day in which the Keeley Mine box and your private cheques went out of the bank? A. Yes, there was no question about those cheques then for some time afterwards, and when the question came up the cheques were not at my house; I think Duncan sent up for them.

Q. You had an opportunity of finding out if they had reached your house? A. I had no occasion to find out; there was nothing came up that caused me to look for them.

Q. Why did you send them off? A. Because I wanted all my papers; there were private letters.

Q. Give me the reason you sent them to your house? A. Because I did not wish them seen.

Q. Did you pay no attention to whether they had ever arrived there safely? A. I knew the box had arrived, but I never looked at it.

Q. How did you know the box had arrived? A. I was told so.

Q. That is the Keeley box? A. No, my private box.

Q. You were told it had arrived at the house? A. Yes.

Q. Who had received it there? A. One of the servants, I suppose.

Q. Who told you it had arrived? A. I do not know.

Q. Did you give directions? A. I did not think about it at all; it did not worry me; I did not think about it; I was just told there was a box there.

Q. If you did not want it to be seen and you found out it had got there, you would naturally make some inquiry, would not you? A. No, it did not give me any consideration beyond there was some private letters and papers and other things in it that I wanted home.

Q. Did you see it after it got home? A. No.

Q. Did you go through it? A. No.

Q. Did you take out anything from it? A. I never did.

Q. Did any one else at your request? A. I don't know, I never asked anybody.

Q. Did anybody ever tell you they had? A. No.

Q. Do you know where those cheques are? A. No.

MR. COMMISSIONER: Has the box turned up?

A. Yes, Inspector Duncan went up there and seized a box.

MR. HODGINS: Seized this box? A. I believe so.

Q. Did you ask him what it contained? A. I did not.

Q. Never made any inquiry? A. I was shown so little consideration that I did not bother much about it.

Q. Would what you have told us about the $20,000 note refer also to the $15,000 note? A. Yes.

Q. Did you think that was in pursuance of some resolution of the directors—

MR. COMMISSIONER: He spoke of some general resolution? A. There was a general resolution.

MR. HODGINS: Was that in the early stages? A. Yes, I think I could find it there.

MR. COMMISSIONER: That would mean that the Keeley Mine was lending you that much money. A. The Keeley Mine lent me that much money under authorization of the Board of Directors of the Keeley Mine.

MR. HODGINS: I suppose neither the Keeley Mine nor the bank, other than so far as you represented them, ever realized that fact? A. Yes, they did; the Keeley Mine did.

Q. Who knew of it then in the Keeley Mine? A. Both Dr. Nesbitt and Wishart.

Q. Of both those loans? A. Of everything I did in connection—

Q. Be definite, both the $15,000 and the $20,000 loan? A. Yes.

Q. Because they are more than a year apart? A. It does not make any difference, from the very first to the last.

Q. You say that both Wishart and Nesbitt knew? A. Yes.

Q. That you were borrowing that money? A. Yes, I would say so.

Q. And were putting it into your private account? A. Yes.

Q. Did they get any money at the same time? A. I do not care to answer that.

Q. I think you ought to answer that? A. I have pleaded guilty to taking that money and my solicitor says that is sufficient for me; I do not want to get anybody into trouble.

Q. I would like to know whether they were asking you to get money for them under this general authority or not? A. Well, Wishart got some of it, yes.

Q. What about Beattie Nesbitt? A. Beattie Nesbitt did not get any of that money; at least, I do not remember him getting any of it.

Q. Which money do you speak of? A. You have spoken to me about the $20,000 and the $15,000.

Q. Yes? A. Some of those amounts commencing with the $50,000; $50,000, $40,000, $20,000 $15,000; I say Wishart got some of that money.

Q. You do not remember, is it, about Beattie Nesbitt getting any? A. No, I do not think he got any of it at all.

Q. Why are you so indefinite about that? A. About Beattie Nesbitt?

Q. Yes? A. Because I do not remember giving him any.

Q. Is this resolution you spoke of about an account being kept in the Farmers Bank? A. I thought there was another one besides that.

Q. That is not the one, is it? A. That is not the one I was thinking about; I thought there was another.

Q. That is the first meeting of the new company, I think? A. I do not think so; this is the only one I see here, but it was in my mind, although that gives me authority to sign cheques.

Q. This one that I pointed out to you at the first meeting of the directors, December 4th, 1908, says, "all cheques, notes, drafts, and other documents necessary for the carrying on of the business of the company to be signed by the Secretary-Treasurer"; that was yourself? A. Yes.

Q. "And that the management of the mine be left entirely at his discretion" —you would not want any more than that to do any legitimate business? A. But my impression is there was another agreement amongst us; I thought it was in the shape of a resolution.

Q. Who was the agreement made between? A. There were only three of us that were interested in that, Wishart, Nesbitt and myself, and I acting for the bank.

Q. There are quite a number of other shareholders came in? A. Afterwards, but those shares were transferred subject to all the conditions that existed under them at the time Wishart held them.

Q. The payment of the $15,000 was October, 1909? A. It might have been.

Q. There were quite a number of shareholders had come in prior to that? A. There was stock transferred from Wishart to them, the same stock.

Q. Mr. Crompton was a shareholder, was not he? A. Yes.

Q. Did he know anything about your borrowing? A. No, I do not think he did; I am sure he did not.

Q. Did any of those to whom Pakeman assigned the shares know anything about your borrowing? A. I never told him.

Q. Did they know anything about this alleged resolution or agreement that you speak of? A. I fancy they did; I could not swear to it.

Q. You think Crompton would have known? A. No, Mr. Crompton would not.

Q. Would those Pakeman had—? A. I do not know what Wishart told them; he dealt with them entirely, I did not.

Q. At all events, you did not tell him. October 26th, 1909, I see quite a lot of stock alloted on the increase of the capital stock; and then I see Dr. Beattie Nesbitt resigned on the 5th April, 1910, as director? A. Yes, I presume so if the minutes show that.

Q. And did Wishart remain in after that or did he get out at the same time? A. Wishart went out then too, I think; the minutes show what happened.

Q. I do not find that he did at that time; I do not say he dropped out, but he was not elected a director on May 19th, 1910? A. That is the annual meeting; he was dropped.

Q. How would you say that either Beattie Nesbitt or Wishart knew anything about this November 3rd, 1910, $20,000? A. How would I say so?

Q. They had both dropped out as directors before that? A. Which one do you refer to?

Q. The advance of $20.000 November 3rd, 1910? A. I could not say that; I thought you meant the other, before they left; the $20,000 I do not know, they would not know anything about that.

Q. As I make it out, that is $90.000 and the $35,000, making a total of $125,000, and the amount paid to Dr. Beattie Nesbitt of $5,000 for re-organization, as you said, managing Wishart, amounting to $130,000, appears to have been paid out and not used for the purpose of the operations of the mine? A. No.

Q. I am right in that? A. Yes—I won't say that; no, I won't go that far.

Q. Pretty nearly that far? A. No, I cannot go that far. I will say that they do not show in the books of the company for operating the mine.

Q. My question is rather directed to the reality instead of the— A. As far as the books of the company goes, it would show the money was not used for the purpose of the mine.

Q. So far as you yourself are concerned as to the $125,000? I thought I was using it for the purposes of the mine to help the bank.

Q. You might leave out the words "for the purposes of the mine", would not you? A. Both the bank and the mine were so intimately associated that we can hardly divorce the one from the other.

Q. You do not mean to indicate it was spent on the mining operations at all? A. Not in sinking down in the ground and paying wages, no.

Q. Do you suggest that any of it was indirectly used—

MR. COMMISIONER: Development.

MR. HODGINS: Can you suggest any way in which the mine or mining property got the benefit of it? A. Not without giving the complete details, which I could not do just now.

Q. How do mean the complete details? A. Where the money went.

Q. You are still back to the point you want to think over? A. I am still back to the point you started from.

MR. COMMISSIONER: Perhaps you can find out from this witness whether he kept a record of these things.

MR. HODGINS: Did you keep a record of these payments at all? A. I had one some place; I don't know where it is.

Q. Where did you keep it? A. I kept it in a memorandum book I had that went up to my house, I think, with the other things.

Q. Did you find out what became of that? A. I never saw that box from the time it left the bank; please let me be emphatic about it; I never asked anything about it or saw it, and I was in such trouble I did not think about it; the first time the matter came up was in the Police Court, and to tell the truth I did not care for it after that.

Q. I should think that would be the one thing you did care about? A. I got such swift and such unfair treatment, that really if they had waited a while they would have got everything: I was not trying to get away from any responsibility at all; the bank failed one day and they had me arrested the next.

Q. That was not the doing of any of the depositors? A. No.

Q. You understand that my interest in the matter is directed in these inquiries at all events to help them, because if anything can be recovered they are the ones that will benefit? A. I have already told you that if it was possible to get one

dollar of that money back I would gladly give the liquidator the fullest information but I cannot see it will.

Q. He naturally wants to have some chance to decide that himself; before leaving this, you, I think, gave a wrong impression; you said you turned over $75,000 of property to the liquidator which he has sold as I understood for about $30,000? A. Yes.

Q. Is not that a little misapprehension? A. Not a bit, not a particle. We will just see how close we can get to that. It is not what he sold it for, it is what it cost me, I am going on.

Q. You do not mean to suggest that he sold at an undervalue? A. I think he sold for all he could get for it; I am not quarreling with him in the slightest; he is a very careful and honest man, and I am only saying I was not consulted in the matter, nobody said a word to me about the house being sold; it was in my wife's name, and I think she could have kept it, because it was built in 1907 and there was that money, commissions owing me at that time.

Q. Did you sell a lot close to the house and get money for it before the failure? A. Yes, I sold it for $1,000 to pay my solicitor.

Q. What was the size of that lot? A. That lot was 60 feet by 120.

Q. What was that worth, what did it cost you? A. It was worth over $6,000.

Q. You sold it for $1,000? A. Yes.

Q. Subject to mortgage? A. Subject to a small mortgage about $2,000.

Mr. Clarkson: I think it was $3,500? A. No, it was not; I sold it for $1,000.

Mr. Hodgins: Considerably undervalued? A. Yes, I sold it quickly to get money to defend myself with.

Q. Just give me that memorandum you are making and we can go to something else? A. Here is $68,000 I can figure up in a minute; the house and two lots cost me $35,000; the garage $2,000; the next lot $3,500 over and above the mortgage; that is $40,000. The Maitland property cost $20,000; that is $60,000 I spent that much on it; and the automobile you took and sold for $2,500, for the duty on it, the pure duty on it cost $7,500. That automobile was given me by Wishart in the first place or I would have never had it, and then he made me pay for it afterwards.

Q. He seemed to have a very winning way with him some how? A. There is $68,000 worth of stuff.

Mr. Commissioner: What is meant by the Maitland property? A. It is the old Lewis Rectory below Brockville, about 5 miles. There was a stone house and 35 acres of land; that property was very valuable down there and I bought that place.

Q. Is that the place where the distillery was? A. Yes, where my brother-in-law lived, Mr. Harvey.

Q. What did it sell for? A. $7,500; but you gave Mrs. Travers about $5,000 out of that.

Mr. Clarkson: In connection with her dower? A. Yes.

Mr. Hodgins: Did you pay $20,000 for the Maitland property? A. I did not, but I spent that much on it.

Q. You spent pretty freely on your house and Maitland property? A. Yes, I spent it whether it was free or otherwise.

Q. How do you make these amounts up? A. I am putting it down roughly.

Q. Did you keep an account of these expenditures? A. Yes, and my cheques would have shown all that, and I had a little memorandum book that was in there I think; I have never seen it since I was arrested.

Q. Are you just taking now a sort of general estimate of what they must have come to? A. No, I kept a memorandum of them, everything I did.

Q. Do you recollect what the memorandum showed? A. No.

Q. You are really estimating this is what they cost you? A. I can pretty nearly figure it up in my mind.

Q. We have no means of checking it? A. In the first place the place was $6,000, of which there was 5,000 paid. The verandahs cost $4,000 that is $9,000; a little bungalow which you gave to Mrs. Travers cost about $3,000, that is $12,000; and then there is the ice house cost $500—no, I did not pay for that. Then there was a wharf down at Maitland cost a couple of thousand, that is $14,000. There was a couple of thousand dollars spent on the stables, that is $16,000—there was a windmill, there was a waterworks, there was plumbing, there was the re-decorating the house—I cannot remember all the amounts, but I am sure it ran up to nearly $20,000.

Q. To turn a little while to another matter altogether I want to speak to you about the Continental Securities Company subscription and its effect on the Keeley Mine account and other accounts; this was a Winnipeg company was it not? A. Yes.

Q. And you negotiated with them for a subscription for stock? A. I negotiated with them to take one half million dollars of our stock.

MR. COMMISSONER: At what? A. At 125.

MR. HODGINS: Had you at the time of that subscription that amount on hand, half a million? A. No, there was not half a million on hand subscribed for at that time, but there was certain stock we could make use of though.

Q. Allotment was made on the 18th March, 1908, to the Continental Securities Company? A. By allotment or transfer, is it not?

Q. No, allotment I think? A. I thought it read by allotment or transfer.

Q. You transferred or cancelled about how much stock? A. I could not tell, the minute book will show that.

Q. At all events you transferred certain stock, the minute book will show what that was? A. Yes, it will show how that was made up.

Q. Did any of these subscriptions that were cancelled or that were transferred, figure on the original list sent to the Government? A. Yes.

Q. Apparently the total you had to get in order to make up the half million was about $139,000 or $140,000 in stock? A. I should say from memory.

Q. The Lindsay subscription was cancelled, was it not? A. Yes.

Q. For 500 shares? A. Yes, that was cancelled.

Q. And the Davidson and Smith, the two in Flint? A. Yes, I think they were cancelled too.

Q. Luxton—

MR. COMMISSIONER: Cannot we get all this without spreading it all out here? Cannot we get a statement of that?

MR. HODGINS: Yes, if you prefer that I will do so.

MR. COMMISSIONER: I think we had better get a statement. It all appears in the books? A. It is all in the minutes of the directors there.

MR. HODGINS: Minute book page 122 is the cancellation of 578 shares for which, the minute book says, with the balance of the unsubscribed shares of stock, viz. 3,914 shares, was allotted to the Securities Company.

MR. COMMISSIONER: That is nothing like the figure you mentioned to the witness, 578 shares.

MR. HODGINS: $57,800—sixty thousand eight hundred of transfers. Page 122: "The General Manager submitted the proposition to subscribe for 5,100 shares of our stock at 130 each"? A. I thought it was 125.

Q. "A commission of $15 per share"—

MR. COMMISSIONER: What is that about commission?

MR. HODGINS: $15 a share; that is payable to Mr. Chevrier for the Continental Securities Company of Winnipeg? A. Yes, he was a brother of the Senator that died up there.

MR. COMMISSIONER: Does that mean he was getting that personally or a discount to the company? A. He was to get it personally I understood, and one or two men that were associated with him.

MR. HODGINS: "That 578 shares with the balance of the unsubscribed stock, viz. 3,914, making in all 4,492 shares be and they are hereby alloted to the Securities Company, and the General Manager is authorized to procure the transfers of 608 shares to complete the 5,100 shares to give effect to this proposition"—that is the way it was done? A. Yes.

Q. That large Lindsay subscription was cancelled at that time? A. It will show there if it was cancelled; I think it was.

Q. Those were transferred by the company to three men, Tevis, Chapman and yourself afterwards? A. Not to me.

Q. Were they transferred to Tevis and Chapman? A. Yes.

MR. COMMISSIONER: What were transferred? A. The shares that were held.

Q. Your bank shares? A. Yes, 5,100 shares, $510,000.

Q. MR. HODGINS: That was allotted to the Continental Securities Company and transferred by them afterwards by Tevis and Chapman? A. Yes.

Q. What was the object of that transfer? A. The object was that the Winnipeg people fell down in their arrangements.

Q. That is the Continental Securities Company? A. Yes. That was only just a company formed by Chevrier and a lawyer named Huggard, and another man up there, so that it would not appear in their own names personally. The Continental Securities I do not think amounted to anything.

Q. Did you know that when you made the arrangement with them? A. Yes.

Q. What was the object of making it? A. Because they were going to sell this stock to the grain growers up there, and I went up and met the grain growers, they were just prepared to subscribe for the whole of the stock when the question came up of Chevrier's commission, and they said they did not know about that, and the whole thing fell through.

Q. The transfer to Tevis and Chapman made by the company was with your consent, of course? A. Yes, I tried to place it elsewhere.

Q. Tevis and Chapman represented the people you were placing it with? A. Yes.

Q. What arrangement did you make with Tevis and Chapman? A. I made an arrangement with them that Chapman would subscribe for the full amount, if I remember right, with the idea of re-selling it.

Q. Who were Tevis and Chapman? A. Chapman was a son of E. R. Chapman, the private banker on Broadway, N.Y., supposed to be a wealthy man.

Q. Who is Tevis? A. Tevis is a lawyer from Louisville, Kentucky, that was friendly with them; I did not know any more about him than that.

Q. What were they to do towards paying up the stock? A. $115,000 was taken up by $120,000 worth of American Piano Co. stock.

Q. Those Tevis shares, 1,150 shares? A. Yes, then the rest of it was in Chapman's name, and has stayed there from that day to this.

Q. This was really devised to increase your right to your circulation? A. No, I had no idea about that; it was to get capital; they were under the impression that they would be able to sell it, produce the money for it.

Q. Tevis on this personally got a loan did not he? A. The company's stock was hypothecated for a loan to Tevis, giving the original owners of the Piano Company's stock a chance to take it back if they wanted to.

Q. When Tevis got this transfer of 1,150 shares he was bound to pay for them, that was your idea, that they were to be paid for? A. Yes.

Q. They were paid up by your taking $120,000 of American Piano Company's stock? A. Yes.

Q. That paid them up? A. Yes.

Q. And that was so shown in the next statement that they were paid-up stock? A. Yes, it was.

Q. Did you get the American Piano Company's stock, $120,000? A. I got all the $120,000, yes.

Q. And then you loaned on that, as I understand it, $120,000 to Tevis? A. Yes.

Q. So that the transaction resulted in this, that you had 1,150 shares paid up in full, you had the American Piano Company's stock which paid it up, and then you loaned to Tevis $120,000 of money? A. I loaned Tevis $120,000 against the Piano Company's stock. Tevis gave a cheque for $120,000, and $115,000 paid the cheque, and the other $5,000 was credited to the profits of the bank, which the books will show.

Q. $115,000 was used to pay up the stock and $5,000 went as a credit to the profits of the bank? A. Yes.

MR. COMMISSIONER: How did Tevis borrow on stock that was transferred to the bank? A. He did not borrow on the bank's stock, but on the Piano Company's stock.

Q. That had been transferred to the bank as I understand it in payment for the shares?

MR. HODGINS: I had put it a little wrongly; he comes and borrows on the American Piano Company's stock $120,000.

MR. COMMISSIONER: Before he does any business.

MR. HODGINS: Yes; then he gives them a cheque on their own bank for $120,000, of which $115,000 pays up the stock, and the $5,000 goes to the profits? A. Yes.

Q. Then you have the $120,000 as security for a loan? A. Yes. The idea was he had got the Piano Company's stock from a man named Knabe, and Knabe I think had an arrangement with Tevis by which he could redeem that stock if he wanted to.

MR. COMMISSIONER: Where did it leave the bank?

MR. HODGINS: It left the bank out that $120,000 and $120,000 Piano Company's stock. A. It left the bank with $120,000 of Piano Company's stock which was sold by the Trusts Company for $95,000 cash afterwards.

MR. COMMISSIONER: What did you get for that, you paid cash for it, didn't you? A. It really boiled itself down to this, that the Piano Company's stock was exchanged for the Farmers Bank stock.

Q. It did not stay exchanged because you lent the money on that? A. No, that loan wiped out—the Tevis loan was wiped out when the Piano Company's stock was used.

MR. HODGINS: There was a loss of $30,000.

MR. COMMISSIONER: When it was ultimately sold? A. Yes.

MR. COMMISSIONER: I thought it was the other way on; you did get the Piano Company's stock for your stock? A. Yes.

Q. And no loan to Tevis—the loan was paid off? A. Yes, it was paid off down to the full amount, I think.

MR. HODGINS: $120,000 and you got $95,000.

MR. COMMISSIONER: That is by sale; if it sold for what is cost it would have paid the loan.

MR. HODGINS: In the meantime you got advantage of having that much more capital paid up? A. Yes.

Q. Against which you could issue circulation? A. Yes

MR. COMMISSIONER: Did Tevis sell? A. He was a go-between for the man named Knabe.

Q. Did Knabe get Farmers Bank stock? A. It was issued in Tevis's name and he turned it over to them; they held it, although it did not appear in their name; the transfers were never made on the bank book.

MR. HODGINS: He was a sort of stool pigeon for the other people? A. Yes. if you want to put it that way.

Q. There was really more than that $120,000 of Piano Company's stock, there was $145,000? A. Yes, something like that was the original amount; it never came into our hands though.

Q. Whose hands did it come into, the Merchants National Bank, New York? A. Not the $25,000 of stock I think; it is not fresh just now in my mind.

Q. A letter from you, dated November 12th, 1908, to the cashier of the Merchants National Bank, Mr. Byrne: "In reply to yours of the 10th, your understanding of my instruction is correct, viz.: that on delivery of the $145,000 stock of the American Piano Company preferred 7% cumulative deliver the bank's certificates representing $115,000 of our shares, and when said Piano Company's stock is put into marketable shape pay M. D. Chapman $20,000, the amount I agreed to loan him for a short time on completion of the transaction"—does that recall what was done? A. $20,000 was loaned to him, but that was paid back again.

Q. On delievery of the $145,000 Mr. Byrne is to deliver the bank's certificates representing $115,000 of shares? A. Yes, that is right.

Q. Did he get that? A. $145,000?

Q. Yes, did he get that before turning that over? A. I do not understand the way you put that.

Q. Your letter indicates that Mr. Byrne is to receive $145,000 worth of American Piano Company's stock before it is to hand over the bank's certificates? A. Yes.

Q. Did he get that? A. I presume he did; I never saw it.

Q. What became of the other $25,000? A. Twenty-five thousand Chapman took for his commission on the whole transaction.

MR. COMMISSIONER: You lent him $20,000 against that? A. Yes, I lent him $20,000 against that and it was afterwards paid off.

Q. And then he got his shares? A. Yes.

MR. HODGINS: Who is J. H. Allen? A. I could not tell you, I do not remember.

Q. Look at that letter, because that looks as if that $25,000 shares went to Allen instead of Chapman? A. When those people issued their capital stock they make it into a certain name, and have him endorse in blank, with the object of not having to make so many transfers; that is what I think that is.

Q. Does that change your evidence at all with regard to what became of the extra $25,000? A. No, I knew twenty-five thousand was to go into Chapman's hands for the transaction.

Q. Chapman and Tevis were the two people to whom the stock had been transferred, and you gave him $25,000 commission, did you, for selling the Tevis shares? A. Not for selling the 115,000; it was based upon the whole transaction, on the 5,100 shares. You see the balance of the stock was sold at 130, so that had he completed the whole transaction, the transaction that he got then would have come out all right.

MR. COMMISSIONER: Everybody except the bank seemed to get in front? A. Get the best of it; it looked so easy to me, and I thought if he was a rich man he was good enough for his subscription.

MR. HODGINS: That is Chapman? A. Yes, I thought he was perfectly good.

Q. You gave him that extra $25,000 as commission on the whole transaction? A. That was an arrangement they had with him, and I did not think it affected me.

Q. You lent him $20,000 which he afterwards paid back? A. Yes, that was paid back with interest.

Q. There is a receipt from him for his commission for $50,000; is that the same or an addition? A. You see he only got $25,000 on account of that; that document is a receipt for $50,000.

Q. Fifty thousand, that was 10% on the five hundred thousand he was to get originally.

MR. COMMISSIONER: I thought it was fifteen? A. That was $15 a share, you were speaking of a little while ago. He was to get $50,000 for placing the whole $500,000.

MR. HODGINS: There is a receipt signed by him as if he had got it? A. Quite right.

Q. Did he get it? A. No, he did not.

Q. What did he sign the receipt for? A. That was so that when the balance of the stock was sold the commission would have been completed; he did not get $50,000.

Q. I really do not understand; this is a receipt, "Received from the Farmers Bank, $50,000, the par value of the 7% cumulative preferred stock of the American Piano Company, in full of charges and commissions due me or my partners for selling $500,000 of the capital stock of the Farmers Bank of Canada. Melville D. Chapman"—and who are the others? A. I did not notice who signed there.

Q. That is dated the 9th November, 1908: was that $50,000 ever paid or did he only get $25,000? A. He only got $25,000.

Q. That would be for writing 115,000 of shares? A. Yes.

Q. For selling the other 3,850 shares he would have got the other $25,000, according to that receipt; however, he did not? A. No, I do not think he ever did.

Q. He never sold the 3,850 shares? A. The 3,850 shares were never sold.

Q. In round numbers, there was a loss on that transaction of $25,000 when they realized on the American Piano Company's stock? A. No, I cannot say there was any loss on it at all, because while I was made use of the Piano Company's stock was a matter as between them; I got 100 cents on the dollar on the $120,000 and the stock was still subscribed to be paid for at 130.

Q. When the bank failed, they found themselves with those 1,200 shares of the American Piano Company, and a loan of $120,000 to Tevis with interest? A. No, they did not; they found that transaction closed up and with Tevis owing a balance.

Q. How much? A. About $30,000, I think.

Q. Tevis owing a balance of about $30,000? A. Yes, but that $30,000 would not be on that transaction; $15,000 of that was a new loan I made to him entirely.

Q. You are looking at it from the bank's point of view as if they had paid up the stock with that and therefore it became their own good asset? A. Yes, because we cancelled this loan and cancelled the stock.

Q. The loan was $120,000? A. Yes.

Q. How much did he pay on that loan? A. He paid $100,000 of it.

Q. In cash? A. In cash, well practically so.

Q. When did you get that out of him? A. The Piano Company's stock sold for $95,000, $5,000 profit paid the Head Office, $100,000.

Q. You do not regard that as a loss to the extent of $30,000? A. Yes, I certainly do, because the Piano Company's stock was sold too cheap.

Q. That completes that particular transaction, does it not? A. Yes, that is as far as I remember.

MR. COMMISSIONER: Why, if Chapman was personally liable for these shares, why did he get money; was not a suggestion made to apply them on the shares he had? A. Because they had got Mr. Knabe into it—the arrangement of the Piano Company's stock was with Mr. Knabe; it was a side matter, and we were

working the bank stock off by using part of that Piano Company's stock, and Chapman was to be responsible for the balance of the subscription, 3,850 shares, I think it was.

Q. That transaction closes itself, that was closed, you parted with so many shares and got that stock of the Piano Company; why should this man get commission in money if he was under a liability to the bank of several hundred thousand dollars? A. He was not under any liability at that time.

Q. Why not? A. Because he had—

Q. I thought he subscribed for the shares? A. Mr. Chapman subscribed for the shares; Tevis is the man who made the loan of $120,000.

Q. Yes, and Chapman and somebody else and Hunt received the $50,000? A. Yes.

Q. Why should they get that money, the $25,000, if Chapman owed all this to the bank? A. They were not entitled to all that money at that time; they were entitled to only part of it, as I understood it; they only got $25,000.

Q. They had not earned that, even at $10 a share; there were only 1,115 shares; how many shares did they get? A. They got 1,118 shares, I think, $118,000.

Q. That would be $11,000? A. Yes, I overpaid him commissions there on the expectation that the balance of stock would run right; I thought we had a good subscription there; I thought it looked pretty good to me at the time; I thought it could be paid up very rapidly when they could get a man like Knabe to take $115,000 of it as rapidly as they did; I thought the rest of it would run off the same way.

Mr. Hodgins: The Continental Securities apparently gave its cheque, did it not, for a very large amount in the bank, over half a million? A. Yes.

Q. Really $538,525, that was the difference between the certain charges you had made and the total amount they were to pay, was it not? A. No, that was for the full amount of the stock, I think.

Q. We make it $663,000 would be the full amount of the shares, and all they gave you was $538,525; the balance was made up how? A. The books speak for themselves there; it was just a cross entry, the whole business.

Q. This is one of the items that is said to be charged up against that; credited upon the total amount in order to bring out that balance; will you just look at that $21,000 cheque; I find that that cheque was credited to the Continental Securities Company on account of the amount that they were to pay for this stock on account of this $663,000. (Cheque referred to is part of Exhibit 61.) A. I presume so; the books will show that.

Q. That is payable to yourself, is it not? A. No, payable to the Farmers Bank of Canada.

Q. What became of the money for that? A. It appears to have gone to my personal credit.

Q. What was done with that; was that commissions on this stock sale? A. A. That was to be held by me for these chaps in Winnipeg, think.

Q. Who were they? A. Mr. Chevrier and others.

Q. That fell through and they did not get it? A. No, they did not get it, I do not think so.

Q. What became of it? A. I think I must have used it.

Q. Was there a Menzie note held by the Toronto branch at that time that was credited on that? A. There was a Menzie note.

Q. R. E. Menzie note held by Toronto branch, $40,000? A. Yes.

Q. Why should that be credited to the Continental Securities Company? A. It is not credited to the Continental Securities Company.

Q. Was it allowed against your purchase price? A. No.

Q. I am trying to account for the fact that while they had $663,000 they only paid $538,000? A. Menzie took $40,000 of the Farmers Bank stock and he gave me his note for it, secured by the Menzie Wall Paper Company's stock, and he never paid anything for it, and that stock was then transferred over to the Winnipeg people.

Q. The note was? A. Cancelled and given back to Menzie.

Q. And allowed the Continental people on their subscription? A. Well, taken up through the Continental.

Q. I do not see how that was if Menzie's note was outstanding? A. His note was not paid at all.

Q. If it was credited upon this $510,000 of stock that would be wrong, would it not? A. I do not think that is the way it shows.

Q. If it does show that way in the book? A. It cannot show that way; I do not think so.

Q. It ought not, certainly? A. The books will speak for themselves. I do not remember that transaction exactly, but I know Menzie paid nothing.

Q. And his stock went to the Continental people? A. Yes.

Q. And they ought to have paid for it. A. They paid for it through their own cheque.

Q. They should have paid for it? A. It would appear so.

Q. And if instead of paying for it you put to their credit this Menzie note, that would be wrong. A. I don't think I did.

MR. CLARKSON: You charged it up against $663,000 and they gave you a cheque for $538,000, the balance, you threw all your obligations into that pot? A. That is only a cross entry; I am sure the books will show cross entries there.

MR. COMMISSIONER: That won't explain? A. No, that won't show Menzie paid up a dollar.

MR. COMMISSIONER: It won't show why these items went to the credit of that $663,000—

MR. CLARKSON: The bank was carrying these items as paid up on its books and carrying Menzie's stock as paid up? A. Yes.

MR. CLARKSON: Q. They could not charge the Continental again with the Menzie's stock without paying it twice; that is why you put the note in against the $663,000.

MR. COMMISSIONER: That would not be any reason why they should not pay $663,000.

MR. HODGINS: They agreed to pay $663,000, they give a cheque for the major part of it and they take credit for the Menzie note because they get the Menzie stock and I say that was wrong, because the Menzie note was not paid? A. They never took credit for it.

MR. CLARKSON: They are not credited, they are charged.

MR. HODGINS: Charged, that is more correct.

MR. COMMISSIONER: That is a different story altogether.

MR. HODGINS: My word is perfectly right, for I see there was credited on the $663,000 the $40,000 Menzie note, that is what the books disclose? A. I do not think they do.

Q. If they do show that it was wrong to have done it? A. I won't say that until I have gone into and examined it and saw the transaction exactly.

MR. COMMISSIONER: What was the bonus.

MR. HODGINS: At 130.

MR. TRAVERS: At 130, 5,100 shares would be $663,000.

MR. HODGINS: The cheque they gave was $538,525.

MR. COMMISSIONER: There must be another entry to meet that; there cannot be such a large slip as that.

MR. HODGINS: It is not a slip at all.

MR. COMMISSIONER: It would be absurd to think that a man dealing with these people would give them credit for $130,000 for nothing.

MR. HODGINS: I quite agree with you.

MR. COMMISSIONER: I think it is most probable you will find another entry.

MR. HODGINS: We will drop this here till we have another look at that. A. That transaction works itself out right.

MR. COMMISSIONER: What do you mean by that? A. They stopped paying up the stock that was not already subscribed for, together with taking up the stock that had been subscribed for and nothing paid; one washes the other.

Q. They were to give you $663,000 for this stock that they got, no doubt about that is there? A. There is no doubt about that.

Q. They only gave you $538,000 according to the book, according to what Mr. Hodgins is reading from, that leaves a difference? A. About $124,000; that cannot be.

Q. That is made up by giving them the benefit of this sum that has been paid by note, but not actually been paid by the people whose stock was taken over? A. That is how I think—

Q. Where is the entry; there ought to be something on the other side to cover that $124,000 if the bank was properly dealt with? A. It is; it will be shown in the books.

Q. How do you suggest it would be; if they got credit for the moneys that had been credited on your books? A. Those were kept by the Toronto branch.

Q. Who was the accountant? A. The accountant at that time?

Q. Yes? A. I think it was a man named Spink.

MR. HODGINS: Using this as an illustration; there cannot be much doubt about what they did; these 5,100 shares of stock included Menzie's $40,000? A. Yes.

Q. He had not paid for it? A. No, he gave a note for it.

Q. How did the Continental Company pay for it? A. Giving their cheque to take up Menzie's note.

Q. Did they? A. The books I am sure show that.

MR. COMMISSIONER: That must be the form if it went through properly, the form which it took; they must have taken up this obligation of the people who had not paid for their shares.

MR. HODGINS: You do not mean the Continental Securities Company gave their cheques for $40,000?

MR. COMMISSIONER: They must have done that to make the transaction square.

MR. HODGINS: If it had been carried out as agreed well and good.

MR. COMMISSIONER: I do not think it is possible they made any such bungle as that? A. There is no question about it in the world, no.

MR. COMMISSIONER: However, the books ought to show if there is such an entry.

The Commission adjourned at 4 P.M. to 11 A.M. to-morrow, May 28th, 1912.

Toronto, May 28th, 1912.

The Commission resumed its Sittings at 11 A.M., at Osgoode Hall.

GEOFFREY TEIGNMOUTH CLARKSON, Sworn. Examined by—

MR. HODGINS: Q. You are the liquidator of the Farmers Bank? A. I am.

Q. And you have had practically entire charge of the investigation of these matters since it came into your hands? A. Yes.

Q. You are thoroughly familiar with the books and records of the bank? A. Excepting in the minor details.

Q. Have you had access to all the documents connected with the bank so far as you could collect them? A. Yes, the only documents which I have not—perhaps I had better tell you this way: the day I went into the bank I gave instructions that no papers should be interfered with or go out of the bank, and while I was up in the Head Office I was told that Mr. Travers had removed some Keeley Mine papers and another box of papers. That resulted in Mr. Travers not coming into the bank premises again. So far as those papers are concerned I got back the Keeley Mine papers, but a box of papers went away containing what he said were private memoranda, and the police became aware of it immediately, and I think that box was traced to his house and into the custody of his son. I believe that afterwards the police got hold of a box, whether it was the one in question or not I do not know, but we got some papers, but not the notes and cheques and other documents that he refers to.

MR. COMMISSIONER: Where is the son? A. In Toronto here.

Q. I suppose he can be got. Has he been examined in the liquidation? A. He has not sir, but we have asked for papers from time to time and—

MR. HODGINS: Then the failure of the bank was on the 19th December, 1910? A. Yes.

Q. Having taken possession of all the books and papers of the bank you came into possession of all the outstanding assets, as I understand it? A. Yes, so far as I know of.

Q. And you have given your own personal attention in endeavouring to realize on them? A. Yes, my own personal attention.

Q. And you understand the particular situation of each asset and the transactions which produced it? A. I think fairly fully.

Q. Would it be possible for you to give from the books a statement of just how the bank stood when it opened its doors, or closely near that time? A. Yes, I have a statement here as of December 31st, 1906. That is on page 43 of that report.

MR. HODGINS: I am going to ask that we might use this book as a matter of convenience, and then the pages of it which we refer to might be bound up separately.

MR. COMMISSIONER: Very well. This statement is on page 43; and the exhibit will be marked as Exhibit 63.—EXHIBIT 63—pages of Mr. Clarkson's report which will be hereafter referred to.

MR. COMMISSIONER: Page 43 is a statement of the affairs of the Bank as of the 31st December. 1906.

MR. HODGINS: That statement shows what is compiled from data and books of provisional directors; also as shown by the permanent books of the bank; and as shown by return to the Government, and the differences between them? A. That is right.

Q. Then the payments on capital stock in cash would represent what was left out of the amount raised I suppose and in securities? A. The first statement shows that on the 31st December, 1906, $227,034.30 had been received in cash on capital stock, that there was on hand at least put under the control of the bank, including the notes with the Trusts Company, $175,830 of promissory notes given on account of stock—

Q. That is taking in those which the Trusts Company still had? A. That is right.

MR. COMMISSIONER: The loan would be on the opposite side, would it not, or is it shown? A. I have shown the balance of the loan at that time.

Q. Had not you better put opposite that what those notes are, because otherwise it might seem promissory notes of customers? A. Yes (Witness inserts "Given on account of capital stock").

MR. HODGINS: When the permanent books of the bank were opened the cash is shown as $300,000 instead of $227,000? A. Yes, there was I think $75,995 of spread items included in that.

Q. That accounts for that? A. Yes, the difference in the borrowing.

MR. COMMISSIONER: The next item there is a credit of the Trusts & Guarantee Company, is that explained in the same way?

MR. HODGINS: The Trusts & Guarantee Company is shown among the credits of $20,894? A. It is shown on my statement as among the liabilities; that $20,894 is that amount was owing to the Trusts Company.

MR. COMMISSIONER: How could it be a credit? A. It is shown on the credit side of the account; the liability side of the account; anything on the credit side is a liability.

MR. HODGINS: That item is not shown, nor were the promissory notes shown in the permanent books of the bank or the return to the Government? A. No.

MR. COMMISSIONER: But that was replaced to the extent of the difference by the sum that was spread over got from the loan from the Trusts Company? A. Yes, sir.

Q. Why is premium on stock treated as liability, is not that profit? A. Yes, it is afterwards written off to profit and loss; it is a profit, but it shows the source of the item, that is why it appears in the credit.

MR. HODGINS: On the other side, which would be the debit side of the account, would represent the assets of the bank? A. Yes.

Q. Organization and other expenses in the permanent books as opened are about $13,000 less than they really were according to the provisional directors' books? A. That is correct.

Q. Does that mean that they were improperly entered or is there any other explanation? A. It means they dropped $13,000 of expenses at that time.

MR. COMMISSIONER: How? A. In the permanent books the expenses as shown there are about $13,000 less than the provisional books show. There was a payment made to the Trusts & Guarantee Company I think of some $25,000 in March, 1907, which was charged to organization expenses, and that difference of $13,000 was picked up in those items. The full method of how that was picked up is shown on page 48 of my report.

MR. HODGINS: The cheque that you speak of, that last cheque of $25,000 odd that appeared in the Trusts & Guarantee account that we went over the other day, some time in April is—A. $25,344.

Q. That is the one? A. So far as I can find out the difference was picked up in that cheque through there.

Q. Picked up is an expression I would like you to explain; they opened their books showing that the expenses up to that time were $13,000 odd less than they really were, and they have to account for the item somehow, how was it accounted for and what was it charged to? A. They borrowed from the Trusts Company $100,000; they allocated about $75,000 capital stock, including it in this $300,000, that represents about $25,000 that was charged back to organization expenses.

MR. COMMISSIONER: The whole of that? A. Yes, the whole of the $25,000.

MR. HODGINS: That would account for about $13,000 odd, which is the difference between these two items? A. Yes.

Q. What was done with the balance according to your investigation into the books? A. According to my opinion $2,380 covered that re-payment to William Laidlaw through Lindsay, and I maintain that $8,548 went other ways; Mr. Travers can tell you where that went; I cannot find out.

Q. How does it appear in the books; it is charged to organization account, is it not? A. Yes.

Q. Can you account at all for its expenditure? A. What I say is at the time it was charged to organization expense this $13,000 increased to $14,416, that was moneys expended by the provisional directors and not organization expenses;

that left $10,928.80 still to be accounted for; $2,380 of that was used to refund to William Laidlaw the amount paid into the bank by his clients on their stock subscription.

Q. Not to refund to William Laidlaw, refund to Travers? A. Refund to Travers, yes; that left $8,548 still to be accounted for.

Q. Is there any cheque or vouchers to show how that was paid out? A. No, the only cheque in the bank's possession would be that $25,344.

Q. We have to find out what was done with the proceeds of it.

MR. COMMISSIONER: That $2,380 had been received from Laidlaw's clients? A. Yes, by the bank.

Q. And that appears on the debit side in those payments on stock? A. Yes, part of that $8,000 will be in connection with interest and charges paid to the Trusts & Guarantee Company, probably—

Q. You have here Trusts & Guarantee Company bonus, it does not appear? A. No.

Q. May those three items you have here, $1,500, $327.65, and the $560—? A. No, I have an exact accounting of that Trusts & Guarantee Company and it is accumulation of interest and other differentials; it won't amount to much, it will amount to a few hundred dollars.

Q. Are there any other items as you go down that need explanation?

MR. COMMISSIONER: Had not he better explain all these differences: first, the Trusts & Guarantee bonus? A. $1,500 was the amount paid to the Trusts & Guarantee Company for those two loans of $80,000 and $20,000.

Q. Neither that, nor the furniture nor Lown $560 is carried into the permanent books? A. No, they appear in the provisional directors; bank premises is carried into the permanent books.

Q. All down; the bills receivable? A. Yes.

Q. That is a cross entry? A. Yes, the point there is the banks did not carry those Bills Receivable on account of capital stock as on account of the capital stock at all. Then the legals, that is the same all through. Stock and bonds, $27,027; those are stocks and securities obtained on account of payment on capital stock.

MR. HODGINS: You will find that above under payments on capital stock, which is exactly the same amount.

MR. COMMISSIONER: Yes, in securities. A. That was not carried into the permanent books.

MR. HODGINS: There is carried in an item of charges $1,113.41? A. Yes; I think that that item was put in largely to make up a balance; I may be incorrect in that but I believe it.

Q. The Trusts & Guarantee Company, $80,605.81? A. Those are those cheques paid to the Trusts Company in repayment of their loan.

Q. That is shown as an asset of the bank, is it not intended to mean that the Trusts & Guarantee Company owe that, have it on deposit for them? A. That is what the books indicate.

Q. That is making use of that as an asset?

MR. COMMISSIONER: That is treating the transaction as cancelled and the amount on deposit as the books show; the loan remained due by cancelling the credits and the Trusts Company had at the credit of the bank this $80,000, had not it, is not that what this indicates? A. No, that $80,000 arises from the three cheques given to the Trusts Company in repayment of their loan, but the loan was not carried into the permanent books at all, the moneys received from the loan, the $75,000, and later on the $25,000, the $75,000 is included in the $300,000 shown paid on stock.

Q. What $75,000? A. Portion of the loan; I have a memorandum here.

MR. HODGINS: What the Commissioner wants to know is if that $80,605.81 is treated as an asset of the bank; that means that it was practically on deposit

in the Trusts & Guarantee Company, was so treated—is the debt which in that case still existed to them shown on the other side, because if it was on deposit there and the loan was not paid off— A. No, the debt is not shown at all, but in that item of $300,000 credit is taken for part of the money received from the Trusts Company.

MR. COMMISIONER: Is that quite accurate, because this $80,000 is part of what was spread over as payment on the stock? A. The whole $80,000 was not spread over.

Q. $75,000, I think you said? A. I will give you the exact amount, $75,995 was spread.

Q. That is included in the $300,000? A. Yes.

Q. So that to that extent there is a cross entry— A. Yes, to the extent of $75,995; it is shown on page 39.

MR. HODGINS: Cash on hand I suppose was accurate at that moment? A. No, I don't think they had that cash.

Q. At all events the result is as shown on this statement that the provisional directors' books carried down to the 31st December, would have shown $424,589 of assets, whereas it was carried into the permanent books at only $301,000 and in the return to the Government it was shown at a much smaller sum? A. Yes. Of course, in the return to the Government they are not required to show the expenditure; they are just required to show the capital paid up and the assets.

MR. COMMISSIONER: Why do you say you do not think that cash was on hand? A. It was not on hand.

Q. What does the cash book show? A. The provisional directors' cash book shows it was not on hand.

Q. MR. HODGINS: Could you check it at all? A. My checking is it was not on hand.

MR. COMMISSIONER: How do you check it? A. On page 44 is an accounting for those differences. It is shown it is paid in on the permanent books at $300,240. Then I deduct from that these items which I say are not based on facts, Cash on hand, Deposit with the Trusts & Guarantee Company, Excess Union Bank, and there is a difference of $86,000: take that away from $300,000, and that leaves $213,372, a shortage difference of $14,529. Now, then, the expenditures in there were, according to the provisional books, $66,000, and according to that statement which we have the permanent books were $52,000; that makes the exact difference.

Q. Let us see why that was done? A. The only reason for that is this, it was desired to show capital paid up as $300,230, and it was desired to show a deposit in the Trusts Company of $80,605; so that they had to make the books balance.

MR. HODGINS: Those are the two substantial items that they desired to show? A. Yes, that is the way they made the balance.

Q. What is the item $140.78 you deducted? A. Those are sundry items.

Q. The $1,113.41 you deduct there? A. Instead of organization expenses being included at $64,000, they put in the item of $51,000, and then they put in another item of $1,113.41 to make it jibe. I do not see any bearing in fact for that item.

Q. What about the $120.26? A. That also is some small item in here.

MR. COMMISSIONER: Here it is, premium on stock and exchange together? A. Yes.

MR. HODGINS: What cash capital did they open their doors with, so far as you have been able to find out, irrespective of their entries in the book? A. Do you mean December 31st, 1906?

Q. Yes; what did they begin business on? A. They had received in cash $207,007.30, and they had received $690.56 and $140.78, totalling $207,838. Out of that they had paid $64,373.19. These furniture and Lown I take are assets,

bank premises are assets, Union Bank, Merchants National Bank, stock and bonds —if you take away the $64,373.19 as the money spent at that time it leaves $143,465.

MR. COMMISSIONER: You must add to that the money they got from the Trusts & Guarantee Company, because they had that money.

MR. HODGINS: It was borrowed capital.

MR. COMMISSIONER: Suppose it was, it was there at all events? A. On the 31st December, 1906, they had paid back the Trusts & Guarantee Company.

MR. COMMISSIONER: That is treating that item as unreversed; supposing you treat the entry as reversed, what is the indebtedness remaining? A. Then we will have the $20,894.19, and they owed that to the Trusts Company, and then if they reversed the entry they would also have $80,605.81.

MR. COMMISSIONER: Yes; that is the way they looked at it or treated it? A. After the reversal?

Q. Yes? A. That will give $244,965.45.

Q. If that reversal is not to be looked at at all, then it means the other way? A. If the reversal was effective it was $244,965.45; if it was not, it was $143,465.

MR. HODGINS: That they began business on? A. Yes; of course they had securities of $20,027 in addition.

Q. What were those securities? A. Stocks, the Dominion Permanent and I think the Canadian Savings & Loan.

Q. That was given on account of stock? A. Yes.

Q. Was it kept by the bank or was it afterwards given back to these parties? A. It was largely received from Devean, $19,000 of it was received from Devean, and it was afterwards returned to him either in cash or in stock.

MR. COMMISSIONER: Stock of what? A. The original stock of the Canadian Savings and Dominion Permanent.

Q. He got back his stock or money? A. Yes, he got the equivalent.

MR. HODGINS: That gives the starting point of the bank, the financial position it was in at that date according to your researches?

MR. COMMISSIONER: They had these notes? A. Yes.

MR. HODGINS: You have the statement compiled from the books of the provisional directors as on the 31st December, 1906, on page 42, showing the payments on capital stock and so on, the notes and the Trusts & Guarantee Company's loan, and as against that the payments? A. Yes.

Q. I do not know that there is anything in that? A. This is a cash statement and also it shows the receipts and payments.

Q. It shows the amount actually of the organization and other expenses?

MR. COMMISSIONER: When you use the word "now sold", what does that mean? A. Sold at that time; they had received securities and had sold $5,888.

Q. I would strike that word "now" out, because it would look as if it were when you were compiling this? A. (Witness strikes out the word "now" in statement on page 42.)

Q. MR. HODGINS: I do not know that there is anything in that that calls for comment except one item, the Merchants National Bank, $25,100? A. That was a New York deposit.

Q. Afterwards brought back? A. It was used in their current business; it was used in the ordinary course of business.

MR. COMMISSIONER: That does not indicate any money on hand? A. No, sir; no money at all; the money was on deposit in the Union Bank of Canada.

Q. There was no cash on hand in that? A. Excepting those legals, $200,000.

Q. But nothing to represent that $5,000? A. No, sir.

MR. HODGINS: I ask now for the details of the organization and other expenses which are put in at page 42 as $64,373.19? A. What I have here, it is

all combined in this memorandum here, it is not combined so as to show the $64,000; it is a matter of adding together a number of details.

Q. I only wanted to know the general divisions under which they would be charged; I thought I had seen that? A. No; there is the detail up to November 26th on page 45; it is all included in here.

Q. Let us see if we can get along with this: there must be about $16,000 or $17,000 additional; is that shown anywhere? A. Yes.

Q. If you have it in another book, or can you make it up— A. I can make it up very simply.

MR. COMMISSIONER: You had better do that separately; I think an item like that, directors' fees and payments, I think those had better be separated; what were the fees for attending meetings and what the payments were? A. I have the whole thing in that form.

Q. This is the distribution of the $10,000 at the bottom? A. Yes. (Page 28, EXHIBIT 64).

Q. It does not say who got it? A. No, we did not know at that time; it merely shows in their books as $10,000.

Q. You would be good enough to make a memorandum of that? A. Yes.

Q. Can you tell me at all how much of that $64.000 odd of organization expenses was paid in commissions? A. I have it in that report, $42,871. Bottom of page 27 of Exhibit 64).

Q. To whom was that paid; show me where I can tell who got that? A. These are the sundry items $13,286.

Q. That is not all what I want; this $42,871 of commissions was paid to about four or five people? A. Lown got $1,414.50; Fraser $800; Travers $22,-390; Smith $4,980.50—

MR. COMMISSIONER: Is that commission or his salary? A. No, these are commissions.

Q. He had salary? A. Yes. There is $13,286 covering various payments, of which Lindsay figures in here for $11,000, and the $2,286 is other various payments according to that list.

EXHIBIT 64: Stock Commissions Account (page 27), as prepared by Mr. Clarkson.

Q. That is up to the 31st December, 1905? A. Yes.

MR. HODGINS: I would like to pass from that to the stock subscriptions; I am speaking of the return which went down to Ottawa; I just want to deal with the return, at page 11 of this book (part of Exhibit 63). I have a memorandum here which I think is in a much more convenient form.

MR. COMMISSIONER: This seems complete.

MR. HODGINS: Yes, but there is one statement I have got which shows the total in the list and then groups about half a dozen of the improper items in it together; I don't know whether you have that done there? A. No, it is not in the book; that is made recently.

MR. COMMISSIONER: This page 11 I think is all right; for instance he shows the Laidlaw ones and what was done with them; that is the history of the Laidlaw shares? A. Yes.

Q. Then it deals with the Devean subscription?

MR. HODGINS: This summary is really what I want. You see the totals, the subscriptions are $3,500, and then the antedated, the worthless—

MR. COMMISSIONER: What have we to do with worthless?

MR. HODGINS: That is something which you may think should not be properly deducted unless they were known to be worthless; that is the analysis of that list.

MR. COMMISSIONER: Of course as to antedated subscription, that is an hypothesis based upon Mr. Fitzgibbon's statement. All that Mr. Clarkson can state is there were certain subscriptions dated the 22nd October? A. Yes.

Q. And he has some reason to doubt whether those were the dates? A. Yes.

Q. Conditional does that include such ones as those taken in the States? A. Yes.

Q. Subscriptions that could not be pressed, what does that mean? A. Subscriptions which I understand the bank was not in a position to sue for payment of; that is Davidson and Smith of Flint.

Q. Lindsay, original subscription, what does that mean, $5,000, that is 50 shares? A. There was the subscription.

Q. Subscription subsequently cancelled, and Laidlaw's subscriptions?

MR. HODGINS: What I wish to ask Mr. Clarkson about was to see how far they affected the list in bringing it down under $500,000?

MR. COMMISSIONER: Supposing you take him over it and get it down on the notes; the return shows $579,200.

MR. HODGINS: Then there are $3,500, subscriptions which are on the last page of the printed return and came in admittedly after the 23rd October? A. Yes, so stated in the return.

Q. Antedated subscriptions, what do you include in those? A. Antedated subscriptions are these: you have evidence as to W. J. Lindsay, $50,000. You have evidence as to Macorquodale.

Q. Give us the name of the shareholder? A. W. J. Lindsay $50,000; D. S. Macorquodale $100; B. B. Macorquodale $100; F. D. Macorquodale $100; A. G. H. Luxton $1,000; A. B. Bradley $1,000; W. B. Nesbitt $10,000; these are all subscriptions dated October 22nd, 1906.

Q. That does not quite make up the amount? A. A. S. Lown $100; J. Gilchrist $3,000; those are all subscriptions amounting to $65,400 in respect of which question has been raised.

MR. COMMISSIONER: As to whether they were not antedated? A. Yes.

Q. Actually subscribed after—? A. Yes, after the meeting had been called on the 22nd October.

MR. HODGINS: Conditional subscriptions, $13,500? A. A. J. Witham, $3,500.

MR. TRAVERS: $2,500.

MR. HODGINS: Yes. A. Then there is a mistake in my figuring of $1,000, $2,500; there is a letter as to that showing it was taken conditionally. A. E. Forget, $5,000; A. H. Hoover $5,000; that makes $12,500.

Q. These you understand to have been conditional? A. That is my information. Hoover's subscription is written across the face of it; Forget I have nothing further than mere information; Witham, there is a letter showing it was conditional.

Q. Subscriptions which could not be pressed, $10,000, who were those? A. Matthew Davidson, $5,000, of Flint, and P. Smith, $5,000; there are letters.

Q. The next is worthless subscriptions? A. These are subscriptions which, according to my information, were worthless.

Q. Were worthless at the time they were taken? A. Yes, that is my information; that is merely information. They were J. E. Bate, $5,000; he owes part of that now in the shape of a note; Jennie B. Gier, $5,000; T. Cox, $5,000.

Q. D. C. Kempt, $5,000; George Storey, $5,000; that is $25,000. The next is a subscription; I have it down here, Original subscription. W. J. Lindsay, $5,000. The only point about that is it was cancelled subsequently after $500 had been credited on it as on account of commissions. Subscriptions subsequently cancelled, $25,100. There is a list here on these pages.

Q. Is not there a list in this book, Exhibit 63? A. Yes, but from that list in that book have been deducted items included in the previous ones.

Q. The total is $29,100; and this list which Mr. Nield will copy into the evidence contains the list of the shareholders whose shares were cancelled? A. Yes.

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The list of cancelled subscriptions referred to in the last question is as follows:

Neil Stewart	$2,500
Thomas Aitkin	1,500
Robert Bell	1,000
W. T. Beatty	3,000
G. Daniels	500
Ella M. Beatty	100
T. Elliott	500
T. Hunter	2,500
Alice Hamilton	500
G. Laird	1,000
A. Matthews	500
J. Pell	900
E. W. Snelgrove	1,000
Eliza Weir	300
L. Cheyne	500
R. W. Fox	1,500
H. F. Johnston	200
M. Beatty	500
T. Casey	200
E. Church	100
J. Dewar	500
J. Fortier	300
P. Sayers	100
Eliza Wharton	300
J. Sunstrom	2,500
T. Elliott	500
T. Alderson	500
J. G. Fitzgibbon	100
G. H. Thompson	3,500
J. Walker	2,000
	$29,100

MR. HODGINS: You say they were afterwards cancelled, how soon afterwards? A. Commencing April, 1907, May and June.

MR. COMMISSIONER: That is on page 14. (Exhibit 63).

Q. Those you have information that lead you to doubt whether they were worth anything, were there any payments made on them? A. On these cancelled subscriptions?

Q. No, on the subscriptions that you classed as worthless? A. None that I can see, sir. In the Bate case there is a note out in the Milton Branch I think for $2,000 which is outstanding now; nothing was paid on the subscription.

Q. What was this subscription? A. $5,000; $3,000 was cancelled and the note stands against the $2,000 of stock now.

MR. HODGINS: The last item is Laidlaw subscription? A. Yes, they stand on their own footing, $21,900.

Q. If you deduct those you have mentioned now from the list as sent in, what is the result?

MR. COMMISSIONER: We can figure that out ourselves; it is all here? A. There is one subscription that ought to come out of that, James Bowley, 10 shares, on page 13.

MR. HODGINS: You have given in this book apparently on pages 15, 16 and 17, (Exhibit 63) what became of these various subscriptions? A. Yes, that is information there according to the books.

Q. What actually became of the Laidlaw subscriptions? A. The Laidlaw subscriptions were transferred under document to Lindsay.

Q. Were they entered up in the books? A. On the books of the Bank they purport to be transferred to other people. There are particulars there; one man is Vise, and another—these people did not accept them; then afterwards they are purported to have been cancelled in the name of the transferees.

MR. COMMISSIONER: What do you mean by cancelled in the name of the transferees—treated as belonging to the transferees? A. Yes, although they did not accept them.

MR. HODGINS: And cancelled by the bank? A. Yes, they were transferred to Lindsay under these documents you had in evidence. Then the transfer book shows them not to Lindsay but to other people who did not accept them, and then cancelled in the name of those last-named people.

Q. Was the W. J. Lindsay $50,000 cancelled—my recollection is that yesterday it was said in connection with the Continental Securities that 440 out of the 500 were cancelled? A. He had 550 shares all told; he transferred 100 of those to Travers; that left 450, and I think there are two items in there accounting for 10 shares, leaving 440, which were cancelled.

MR. COMMISSIONER: On the 18th March, 1908; all that appears on page 13, two different lots of 50, and 10 transferred to Brown, who paid for them, and Lindsay paid for 5 himself? A. Yes, sir.

MR. HODGINS: We were speaking yesterday in examining Mr. Travers about that Continental Securities Company account? A. Yes.

Q. How do you find that the 5,100 shares were dealt with as to payment? A. They were purported to have been sold to the subscriber by the Continental Securities Company at 130, or $663,000, and then the Continental Securities Company was allowed an overdraft in the Toronto office books of the bank to the extent of $663,000; and against this overdraft there was charged to various items which we were speaking about yesterday by way of cheque issue by the Continental Securities Company—you have that memorandum there showing what those items are.

Q. Is it the case that, without the discount of any security or anything else, the $663,000 was put to their credit in the Farmers Bank? A. No, it was not put to their credit; they were simply allowed an overdraft to that amount; that is to say, they issued their cheque and it was charged up against them in the Toronto Branch.

Q. And they had no funds for those cheques? A. Not that I have been able to find. It is fair to say this, though, $538,000 which was charged against them was put to the credit of a Suspense Account; that is to say, it was not taken into Capital, but put to the credit of a Suspense Account.

Q. What particular virtue is there in that? A. Only this, that anybody understanding accounts would just simply check one over against the other and know to the extent of $538,000 it was a book entry, even in view of the fact that cheques were actually issued and cheques were actually marked.

Q. Charging it to Suspense Account would indicate it had not been accepted as payment up of the capital stock; is that what you mean? A. Yes, it was an item in question; it was an item subject to contingencies.

Q. Subject to be dealt with later? A. Yes, as conditions might develop.

Q. As to the rest of the amount, the difference between $538,000 and the $663,000, there are various items, how were they treated, as Suspense or Capital? A. It starts on page 25 (of Exhibit 63); these items were charged against it; in the Milton Branch of the bank there were notes held to the amount of $15,500, covering subscriptions of Kemp, Storey, Emerson, Hunter and Brown. The proceeds of those notes had been credited as payment on capital, capital account had been already credited with that amount; they charged that $15,000 up against the Continental Securities account by way of a cheque issued to take up the notes; in other words, the Continental were taking over the stock which stood in the name of these people, apparently paid for but with liabilities outstanding against it for notes; $21,575 is the cheque we spoke of yesterday issued to Travers; $45,000 was applied on a promissory note for $55,000 given by Travers to cover moneys expended on organization account; in other words, he had credited $55,000 against the organization expenses.

MR. COMMISSIONER: Credited? A. The account shows a charge for a large sum of money, $120,000; he had given his promissory note and the bank had discounted it and put $55,000 to the credit of the account, reducing the apparent expenditure in organization; $10,000 of that had been charged up against bank premises, and the remaining $45,000 was charged up against this account; then the bank held the $40,000 note of R. E. Menzie; $20,000 of that represented the original Devean stock, the other $20,000 was the additional subscription which Menzie took at the time he took over the Devean stock; that $40,000 had gone to the credit of capital. The next $2,300 was an amount shown as having been paid by Gilchrist on the original list returned to the Government, when, as a matter of fact, it had not been paid.

MR. COMMISSIONER: Except by spreading? A. That is by the spreading out; Gilchrist's stock to that extent was handed over to the company; that meant that $124,000 to cover those various items was taken out of the $663,000 by the issue of cheques; and the Continental Securities Company issued a cheque for $538,525, the balance to the bank, and it was put to the credit of this suspense account, pending the outcome of the transaction.

MR. HODGINS: I just want to understand what difference that made, these book-keeping entries made, in fact? A. That is set out on page 28 (of Exhibit 63).

Q. It operated, as I understand, to release whatever liability there was on the holders of those items of stock that were mentioned there, and to substitute for it the cheque of the Continental Securities Company? A. Yes; then I am going a little bit too fast. Then when it became apparent that the Continental Securities transaction would not go through, stock was sold to Tevis and Chapman, 1,150 shares all told.

Q. More than that? A. Yes, more was sold, but payment was received on 1,150 shares, the balance being ultimately cancelled; and then the 1,150 shares of the bank, according to its records, received $120,000 of American Piano Company stock, made a loan on that to the amount of $120,000 to Tevis; $115,000 was allocated as in payment of 1,150 shares of the bank stock; the remaining $5,000 was put to the credit of profit and loss. Against that $115,000 of stock paid up, these shares, Menzie, Gilchrist, Travers, Hunter, Kemp and Storey, to the extent of $59,300, which was originally shown to have been paid up by way of notes and obligations, were charged off against it, $59,300, and the bank took credit for payment on new capital stock to the extent of $55,700 only.

Q. Let us just work that down, because I want to see how that would affect matters or to what extent it did? A. That is the stock transaction.

Q. The $124,000 which you have spoken of there, had that been taken in as paid-up capital previous to the Continental Securities Company deal: take Menzie, Gilchrist, and these others, had that been taken in as paid-up capital? A. $15,500 had, $40,000 had, $2,300 had, that is $57,800 had been taken in there as paid-up capital.

Q. MR. COMMISSIONER: Then by reason of these cheques, whatever obligation there was on the original holder was cancelled and these cheques were practically substituted for it? A. That is right.

Q. Then when they turned over a certain amount of that stock to Tevis, I judge from what you say that they then having received from Tevis $120,000 allocated about $59,000 to pay those same items? A. They did, and they made a mistake of $1,500; at least, they allocated $1,500 too much.

Q. Roughly speaking, the result of the three transactions would be to leave the bank legitimately in possession of paid-up capital to that extent? A. Yes, it validated the whole transaction.

Q. As to those three items. As to the other items making up the $124,000, what became of those? A. There is $21,675 drawn by Travers, and $45,000 on that note; then what happened to them was this—

MR. HODGINS: On what note? A. The $55,000 note that Travers had discounted in the Bank and had applied the whole of it to the credit of organization account. Then $10,000 had been credited on that note and charged as having been expended on Bank premises, leaving $45,000? The ultimate fate of those items was this, it is set out on page 28, $21,675 taken by Travers; $45,000 owing on the note, together with $40,000 which was charged into an account known as the Rabbit Mountain Mining Company, and $24,294.27 interest charged against this Continental advance, taken credit for by the bank as earnings. Those amount to $130,969.27. They were charged $107,500 against Keeley Mine Stocks and Bonds; $20,500 as having been advanced to M. B. Chapman; $1,500 being an excess charged to Tevis. That arises in this way, that those three items of stock that I mentioned to you only amount to $57,800; they were charged against Tevis' amount $59,300, or a difference of $1,500. Then the balance $1,469.27 was charged to Profit and Loss; that meant in the ultimate these items practically went into Keeley Mine as a charge against Chapman.

Q. You are accounting for a good deal more than the difference between the $59,000 and the $124,000? A. Yes.

Q. Can you just account for the difference in those two items? A. No, those two items amount to $66,000 and they were combined with the other and charged back that way.

Q. Do you say the ultimate result of that dealing was to charge these amounts up against the Keeley Mine Stocks and Bonds account to the extent of $107,500 and advance to Chapman? A. Yes, $20,500.

Q. Was that ever recovered? A. No; he is a discharged bankrupt in New York State.

Q. So that that has been a total loss to the bank to that extent? A. Yes; of course the moneys, this $45,000 of Mr. Travers and $40,000 charged to Rabbit Mountain Mining Company were moneys spent previously in the organization of the company and not shown, hidden or held over by these notes, and they ultimately filtered in that Keeley Mine Stock.

MR. COMMISSIONER: What warrant was there for charging these to Keeley Mine? A. I can only say that Mr. Travers has told me that he looked to make a profit out of Keeley Mine stock that he got for nothing and used it as he called it to pick up these losses.

MR. HODGINS: A convenient place to charge it. I thought suspense account or something of that kind was always used for those purposes? A. It would not have made any difference if it had gone into suspense account.

MR. COMMISSIONER: What does that Rabbit Mountain Mining Company mean? A. That was a transaction where the bank advanced some money to some people and the bank was to get some capital stock as a bonus for doing so, and they charged the Rabbit Mountain Mining Company with expenditures on organization account and one or two things like that just exactly on the same basis as the talk about the Keeley Mine and then afterwards when the stock did not bring any profit we wrote them back to different avenues.

MR. COMMISSIONER: The Rabbit Mountain, is that about Port Arthur?

MR. TRAVERS: Yes.

MR. COMMISSIONER: Have you got into your head, Mr. Hodgins, why the Continental Securities Company was credited on their purchase of stock with this $124,000? A. I can understand sir, why they were charged with the $57,800 on capital stock, that is to say they were buying not only all the unalloted stock that the bank had, but they were also buying other stock which the bank purported to take over from these Milton people, Menzie and Gilchrist.

Q. But they were credited with it.

MR. HODGINS: The bank was supplying them with that stock.

MR. COMMISSIONER: That $663,000 included paying up again this stock which had already been paid? A. No, the Continental charged with it; probably the way that is set out there is just an accounting, it is a process of elimination.

Q. I do not see you can say they were charged with it when the price of the stock they were to get was $663,000 and the amount of that was reduced by the sum of these payments? A. Well, put it this way, the amount they were to pay $663,000; the applied $15,500 and $40,000 and $2,300 on that $663,000 to take up those obligations which they had in the Milton branch from Menzie and Gilchrist.

MR. HODGINS: So that it would have the stock to hand the Continental? A. They had to take the stock over from these people to hand to the Continental.

MR. COMMISSIONER: To give them the stock they had contracted to sell? A. Yes.

MR. HODGINS: As I understand they sold the stock to Tevis, the money they received from him to the extent of fifty-nine thousand odd dollars was taken to replace these worthless cheques? A. That is it.

Q. The bank ultimately making good on that stock—

MR. COMMISSIONER: What worthless cheques are you speaking of?

MR. HODGINS: Worthless cheques of the Continental Securities Company.

MR. COMMISSIONER: Let me see those please.

MR. HODGINS: As I understand it they sold stock to people who went bad like Menzie and the other man, and this was an effort to get it into good hands, and this effort failing, they finally did sell a certain amount of stock to Tevis and appropriated this stock to the extent of $59,000 to him.

MR. COMMISSIONER: What is this cheque? A. This is Menzie and Gilchrist, $40,000 and $2,300, that is a combination of those two items.

Q. They practically over-drew the account for these sums? A. Yes.

Q. And that repaid these things? A. Yes.

Q. That is the blank in the evidence so far; they issued their cheques upon this account they were allowed to draw against? A. Yes.

Q. For these various amounts but including the $21,675? A. They issued a cheque for it too; the cheque was here yesterday, with that $6,000 cheque.

Q. They issued cheques for all these? A. Yes, they issued cheques, $15,500, $21,675, $45,000 and $42,300, and then another cheque for $538,000.

Q. So that nominally they paid the whole thing? A. Yes.

Q. That is where the thing was in doubt when we parted last night? A. They paid it.

MR. HODGINS: Just charged as an overdraft? A. Yes, they had to take up those obligations to get that stock.

MR. COMMISSIONER: How do you suppose that $21,657 was arrived at? A. I do not know that.

Q. Would that be arrived at as the balance left? A. No, I think that sum was an amount stated, and this is the balance, the $538,000.

Q. Because these were all fixed sums? A. Yes. This is an open amount and this is an open amount.

Q. That is the $21,675 and the $538,525 were open amounts? A. Yes, unless Mr. Travers arrived at some commission calculation with reference to that Tevis matter.

Q. The only thing that nominally the bank did not get credit there was that $21,000? A. That is all. $21,675 was the loss on the transaction, but the gain on the transaction was the making good of these obligations of doubful value; and then they used the account as a vehicle for changing over these other expenditures from Keeley Mine from accounts they had been in.

MR. HODGINS: I think when you are making up that item, that you promised to give us, you might attach to it that statement, or a copy of that statement, because

we referred to that in your evidence. (Hands statement to witness). A. Very well.

Q. Perhaps you could prepare this statement without my examining you upon it; I would like to know how far wrong the return to the Government was; in the first place I want to know whether the payments shown as paid up in cash, whether any of those payments were wrong in fact; then I would like to know whether for any of those payments there were notes in the hands of the bank and to what extent, what was the amount of the notes? A. What you mean if I understand you is this, those spread payments on that list to the Government, you want us to take those items and to show whether there were notes existing for those subscriptions and whether ultimately the bank received actual money on those subscriptions to get rid of them.

Q. What I really want is just to see whether there was a note standing at the time the return was sent in.

MR. COMMISSIONER: There is a list of that kind here, is not there?

MR. HODGINS: There is a list here, but it is not complete, Page 40; that is headed "Spread Notes" which is a mistake; it should be spread payments. I want to see which of those had notes outstanding? A. It is marked on the copy the Commissioner has.

MR. COMMISSIONER: In red ink? A. Yes.

Q. They appear to be all notes; the first item there is any difference in is Kennedy; $250 is the spread item and $500 was the note. Sinclair, there was a note for $5,000 and a note for $1,000; spread was $500. McClure the spread item is $200, and there were notes for $450, and $500. Witham spread $200, note $2,000; Laird, spread $500, note $1,000; McCallum, spread $100, note $200; Wilkinson, spread $50, note $100; Menzie, spread $50, note $100; and then you get down to Howden, spread $50, note $500; McLaughlin, spread $100, note $200; Daniels, spread $200, note $500.

Q. The figures in red ink on pages 40 and 41 indicate the amount of the note given by the person to whom the credit was given as shown in this statement? A. Yes.

Q. At the end of page 41, Gilchrist is credited with two cheques, $2,700 and $300; and Groves, $3,000; those are at the foot of the spread payments and they are marked, "Afterwards returned". What does that mean? A. I think on November 26th, 1906, there were three cheques carried—I think when the books of the bank were first opened there were three cheques carried in there for $3,000 apiece; I think it was Groves and Gilchrist; and I think Nesbitt, $9,000, and afterwards returned. They came and they were carried into the cash, and that is the reason I say that that $5,750 of cash was not founded on fact. I think it was at that time they were carried in as cash coming from nowhere, just merely as cash on hand and afterwards going out.

MR. COMMISSIONER: Carried, I suppose, in the teller's till as cash? A. Yes, two of those items are those.

MR. HODGINS: Have you anything to add to the details we have with regard to the Tevis and Chapman transaction that was given yesterday by Mr. Travers? A. Well, there is only this point to take into consideration, and that is the bank made the loan of $120,000 on that $120,000 of Piano stock; it was hypothecated to the Trusts & Guarantee Company and afterwards sold by them at $95,000, so that the bank lost in there actually, $95,000 from $115,000, the actual amount of the advance, lost $20,000; that is to say, I do not mean to attempt to say whether that stock was paid up in full or not. I merely say that the loan of $115,000 cash was actually made on that stock and applied in full payment on the capital stock and that afterwards the security—

MR. COMMISSIONER: The man that gave the Piano stock was worse off at the end of the business; he got worthless Farmers Bank stock? A. Yes, but the Farmers Bank got $95,000 in payment of $115,000 of stock.

Q. If the stock had been good, there would have been a loss of $20,000? A. Yes.

MR. HODGINS: Gilchrist's name was mentioned; he was afterwards a director of the company; what amount of stock did he subscribe for, was it $3,000? A. Yes.

Q. Do you know who he is? A. He is connected with the Crompton Corset Company.

Q. He was elected a director afterwards of the bank in November, 1906; what became of his stock, did he subscribe for stock? A. Yes, he subscribed for $3,000 of stock and there was $700 cash actually paid on it; the other $2,300 he surrendered the 23 shares and they went to the Continental Securities Company and from there to Tevis.

Q. That is a history of that stock? A. Yes.

Q. In that list of spread payments which you have just referred to, page 40 and 41, he is down for $3,000; that is not represented by notes but by cheque, it was given back? A. That cheque was used at that time apparently for that purpose.

Q. You never found any note from him? A. Yes, I found a note afterwards; I think I have that record here.

MR. COMMISSIONER: That ought to be put in with red ink if you have a note for it; it is not in red ink here, neither that nor Groves? A. My memory is not clear on that point; I shall have to find it out for you.

Q. MR. HODGINS: You are taking a civil action against him at all events; I do not want you to say one way or the other.

MR. COMMISSIONER: What is he suing for? A. I do not know that I am suing him yet; I did question whether I had a right against him to sue him after being elected a director when he is not qualified.

Q. That matter is under consideration? A. Yes, and his stock is in the hands of the people now, so he is not responsible for double liability.

MR. HODGINS: The bank got actual payment for that stock out of Tevis? A. Yes. The only thing he acted as a director when he was not qualified.

Q. Is he a man of substance? A. Yes.

MR. HODGINS: He is vice-president of that company? A. It is a responsible company.

Q. There is some connection between some member of that company and Beattie Nesbitt? A. Beattie Nesbitt is a brother-in-law of Frederick Crompton, who is president of the Crompton Corset Company.

MR. COMMISSIONER: When was Gilchrist elected a director? A. At the first meeting, November 26th.

Q. How long did he remain a director? A. I think for a year. Do you wish now that Government Return showing notes?

MR. HODGINS: No, I did not note you had that in the book here. Mr. Devean is here and I want to ask you about his stock; he held how many shares of stock, 200, was it? A. Yes, $20,000.

Q. How did he profess to pay that? A. According to the information I have, the bank held about $19,000 of stock in the Dominion Permanent and the Canadian Savings and Loan; I think a note for $900, and $100 in cash; I think that was the transaction.

Q. Do you know anything about him, financially speaking? A. He is perfectly good for the amount, so I understand.

Q. I think that $19,000 of stock was pledged to the Trusts & Guarantee Company for one of those loans? A. Yes, together with a note of his for $15,000 as collateral to it.

Q. If those securities were accepted in payment, that would pay him up in full? A. Yes.

Q. What became of those securities afterwards? A. As far as I can ascertain, they were returned to him and R. E. Menzie took over his subscription.

Q. Is that the R. E. Menzie who figures in the $40,000? A. That is the same man.

Q. Was this $20,000 of Devean's stock part of that $40,000? A. Yes.

Q. You do not know how the shuffle was made? I think I know something about it. The Devean stock was transferred to Menzie and Menzie subscribed for another 200 shares; that made 400 shares all told; and he gave his notes for $40,000, which was discounted in the bank as a call loan, I think, and there was attached to it some scrip and the Menzie Wall Paper Company. I see also there was an endorsement on that note of the Menzie Wall Paper Company. The question rose afterwards as to the right of Menzie to endorse the company's name on his personal paper; however, he himself was of doubtful responsibility, and I do not know, but I should imagine, the bank could not collect from him—I heard something on the outside.

Q. Do you know whether the Menzie Wall Paper Company gave a separate obligation or whether it is a question of endorsement of Menzie's paper? A. I think it was an endorsement.

MR. TRAVERS: The note was signed by the Menzie Wall Paper Company after they refused to acknowledge the obligation; I know that outside the bank's affairs.

MR. HODGINS: They were never pressed in consequence? A. No, they were not pressed and the stock was transferred to the Continental and Tevis.

Q. Was that part of the Tevis transaction? A. Yes.

Q. Was that part of what was paid up ultimately? A. It was.

Q. I would like to ask you about the Trusts & Guarantee Company circulation account; in the first place, with regard to that loan of $80,000, how do you find the bank treated those three payments, made in December, 1906, which appears to have paid it off? A. They appear in the Head Office, there are two accounts relating to it; the first in the head office books of the bank, in which those three cheques are shown to the credit of the account, the account indicating on its face that either the money was paid to the Trusts Company or it was on deposit there with the Trusts Company; anybody taking up the account would take it to be on deposit.

Q. That is in the head office? A. Yes.

Q. Are you referring now to the three separate cheques appearing in that account and having that appearance? A. I am referring to the three separate cheques in December, 1906; it shows anyway that the Trusts Company was indebted to the bank in $80,605.81.

Q. Either by way of payment? A. Or by way of deposit; it makes no difference.

Q. You could not tell from the entry? A. No, it makes no difference.

Q. You could not tell the entry? A. No, it makes no difference.

Q. What did the other account show? A. There was an account opened in the Toronto branch in January, 1907, a deposit account, and the bank continued to deposit money with the Trusts Company up till, I think, April.

Q. That is subsequent; but there was no other account for these three original payments in December? A. No, there is no other.

Q. Did that account show there had been a loan got from the Trusts & Guarantee Company of $80,000? O. No, the books of the bank do not show any loan; when I say any loan I qualify that; I mean original loans.

Q. You remember page 43 of this book (Exhibit 63), statement as of December 31st, 1906; there is $80,605.81 shown among the debits? A. That is the item I referred to shown as owed to the bank.

Q. And I take it that the head office entry is capable of being understood to correspond with that or may indicate that $80,000 had been paid? A. That is the head office entry.

MR. COMMISSIONER: How could it indicate the payment; it is a debit to the Trusts & Guarantee Company? A. It indicates, according to the books of the bank, that $80,605.81 was paid to the Trusts & Guarantee Company.

Q. And owed by the Trusts Company to the bank? A. Yes.

Q. That is what the bank book shows? A. Yes.

MR. TRAVERS: Would not it show this, that the Traders Bank balance went down and the Trusts Company went up? A. That follows as a matter of sequence, because the cheque is on the Traders Bank, its balance goes down and the Trusts Company's goes up.

MR. HODGINS: If the head office entries had been intended to show payment of the loans should have been shown in them, and these cheques a credit as against that loan? A. If the books had been opened to show the facts, there would have been an account showing the Trusts & Guarantee Company creditors for that amount of money and these payments on account of that loan.

MR. COMMISSIONER: But the position taken by Travers all through is, and these entries are quite consistent with it, whether it was proper is entirely another question, that the loan was his personally, not the loan of the bank at all, and that the notes were hypothecated and that is the reason why they do not appear in the books of the bank? A. That is the reason why, and that is the reason why that capital account there is extended to $300,000.

Q. I am saying nothing about the propriety of the thing at all? A. Not at all; if that capital account had been sub-divided into two accounts, W. R. Travers and capital, assuming that he was taking the position that he was lending to the bank, he would have been a creditor for so much, and the capital account so much less.

MR. HODGINS: Is the capital account as shown, $300,000, consistent with the idea that this money was borrowed personally by Travers.

MR. COMMISSIONER: I do not think that is a proper question for this witness, that is more for me. As Travers' account of the transaction is, rightly or wrongly he took these notes and borrowed so much money and applied that money upon the stock of these people? A. That is it exactly; and the books agree with that attitude on his part.

MR. HODGINS: And that when he paid these three cheques to the Trusts & Guarantee Company while it was in fact in payment of that debt of his the books would make it look, in the absence of any entry of the Trusts & Guarantee Company as a creditor, as if they had that money on deposit? A. The books indicated that.

MR. COMMISSIONER: Is that entry as of the date when the credit was cancelled or is it the date of the original payment? A. That credit appears in three amounts, three cheques.

Q. As we had the facts, the loan was paid off by three cheques of the Farmers Bank? A. Yes.

Q. Then for some reason Travers says it was closed, he wanted that changed, and wanted what was done in the way of payment cancelled and the loan set up again. A. There is no record in the Farmers Bank Books of that re-transfer of items at all.

Q. But of what date are the entries in the Farmers Bank, of the original date? A. Yes.

MR. HODGINS: The three cheques which we have, December 6th 7th and 17th? A. Yes.

Q. You were going on to speak of another account in the book? A. When the Trusts Company gave up the notes which had been hypothecated to them as security for these loans made to Mr. Travers, the Trusts & Guarantee Company were

given credit for the amount of these notes and the notes were sent out to the branches and discounted in the branches.

Q. What do you mean by being given credit? A. You have on one side a charge in the account of the Trusts Company owing $80,605: they go down to the Trusts Company and get $30,000 of notes; they put as having received from the Trusts Company $30,000 crediting it: they take those $30,000 of notes and send them out to Milton, and have them discounted; the Milton branch discounts them and puts them to the credit of the Head Office of the Bank; that leaves the Trusts Company as owing only $50,000 according to the bank's books, and that is the way it went till the account was wiped out.

Q. That is the method in the bank's books? A. Yes, that is the method the bank adopted.

Q. This Exhibit which I put in some time ago showing the history of those notes (Exhibit 51) will you just say whether that shows the transaction as it appears in the bank's books? A. I say this: some of it is arrived at from a process of elimination, some of it is from fact. This is fact; notes for $2,380 loans, that is procured from the company. Loan on $20,500 that is procured from the Securities. Charged to the Milton branch February 26th, 1907, that is taken from the Milton books.

Q. $30,300? A. Taken from a letter of the Trusts Company. Charged Milton branch March 6th, 1907, $770, that is from the Milton records. Charged on April 11th, 1907, that is from the Milton branch, $2,530. Charged April 16th, the latter part of this is from the Milton records; the former part is from the head office books.

Q. The beginning, "Charged Milton branch" is from the Milton records; and the first items under April 16th, 1907, are from the head office books? A. Yes. The same thing obtains there on April 30th.

Q. Turn back to the first page where you have the notes, you account for the notes dealt with in those three loans? A. Yes.

Q. And you show what was charged to the Milton branch as detailed in the subsequent pages? A. That is right. Then the Denoon note was returned to them, there is a receipt; the DeVean note was given up; the Stair note paid. That reduces it to about $7,000 in notes, I cannot account for; I know of $4,750 of those.

Q. The $30,300 was the first batch of notes they appear to have got back from the Trusts Company? A. Yes.

Q. And they credited that amount to the Trusts & Guarantee Company? A. Yes.

Q. Discounting at Milton and where did the proceeds of the discounts find their way to, the head office? A. They would be put to the credit of the head office in the Milton books, but what would happen in the head office books was that they would charge the Milton branch with those $30,300 of notes and they would credit the Trusts Company; that is the transaction.

Q. Who would collect on those notes? A. The Milton branch.

MR. TRAVERS: I think you are wrong on that. A. Let me say this; they could have gotten them all at once from the Trusts Company, but need not have put through their charges till any time that suited their purpose. Mr. Travers draws my attention to a certain amount of accounting; the Toronto Office was a clearing house strictly speaking; the head office charged everything to the Toronto office, and the Toronto Office would clear the note; that is what he means.

MR. HODGINS: You had seen the copy in the Trusts Company's book of the account with them beginning with the early part of 1907 and running on till April 8th? A. Yes, I have seen a copy of it.

Q. And made up of deposits according to them of circulation from time to time? A. Yes, well, it agrees with the bank's books. The statement was made to me indefinitely that it was circulation, but the books did not indicate whether it was circulation; I cannot tell from our books whether it was circulation.

Q. Do the entries in the Trusts & Guarantee Company account which we spoke of that day correspond with the entries in the head office as detailed in this Exhibit 51? A. Not at all.

Q. I mean as to the payments, I do not mean as to the deposits they were making? A. The deposit account starting in January, 1907, has no bearing or no connection whatever with these transactions. These are the loans. (Exhibit 51.) The deposit account is absolutely separate. Their record of that deposit account and the bank's records agree absolutely item for item.

MR. COMMISSIONER: It practically appears as an ordinary deposit account as far as you can see? A. Yes.

Q. What it consisted of we have been told? A. Yes.

MR. HODGINS: The payments out of that from the Trusts & Guarantee Company to the bank correspond to these discounts in the Milton branch? A. Not at all, no relevancy at all.

Q. What account in the bank do they correspond with? A. I do not think you will find any account in the Trusts & Guarantee Company relating to the return of those notes. They got payment of these $80,000 and later on in March, 1907, of the balance, $25,000 and they were paid up, and the bank was entitled to get those notes back whenever they wanted to or Travers. When it got them back I cannot tell you; they may have gotten them back in April and may be in March.

Q. I have asked for a copy of that account and when it is here I will show you exactly what I mean.

MR. COMMISSIONER: Has not that all been fully explained? Against this deposit account there were cheques drawn on the Farmers Bank? A. Yes, this deposit went on, the Farmers Bank drew cheques.

Q. What I understand Mr. Hodgins wants to get at does that deposit account appear in the same form in the Farmers Bank as it does in the Trusts Company? A. Absolutely, that is the account where the bank drew on the Trusts Company and the Trusts Company issued its cheque on the Bank of Montreal and the Bank of Montreal cheque was deposited in the Union Bank to the credit of the Farmers Bank of Canada; that cleans that transaction.

MR. HODGINS: Take that first item of $30,300? A. That has no relevancy with that, absolutely nothing to do with it.

Q. I thought they had. I may be wrong? A. Nothing at all?

Q. It is quite an independent transaction? A. Yes.

Q. In the one, as I understand, the Trusts Company treated the bank as its debtor, or somebody as its debtor? A. Yes, in the deposit account the bank was a creditor.

Q. I am talking about the loan account as these payments were made, so much of the debt was discharged; in the Farmers Bank account, so much of the amount that the Trusts Company owed was discharged by the return of the notes; that is the way they treated it? A. Yes, they had to get it off their books that way.

Q. That is all working out the same scheme, treating the notes as something not the property of the bank, hypothecated by Travers; it is all worked out on the same plan is it not? A. Well.

Q. The money that went really to pay the loan was charged up? A. The bank paid the money out to pay the loan.

Q. And charged it up as if they had lent it to the Trusts Company with the notes and wiped out the account.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., May 28th, 1912.

NATHAN DEVEAN, Sworn, Examined by—

MR. HODGINS: You became a subscriber to this stock of this bank? A. Yes, sir.

Q. For how many shares? A. $20,000 worth of their stock.

Q. That was in March, 1907, I am instructed? A. I am kind of forgetful about the dates, but I should believe it was in 1906, but it was just prior before the organization.

Q. Prior to the organization? A. Yes, sir.

Q. How did you pay for the stock? A. I told him that I had $19,000 of fully paid up stock in the Canadian Savings that was paying me between 6% and 8% and if I could have $19,000 worth of their stock in exchange for that, I would take it.

Q. You would have to pay $19.000 more would not you? A. Then, sir, Mr. Travers said it would look far nicer if you would take the even $20,000. I said I did not have the money to spare. Well, he said, you are practically paying cash for everything, and he said, that won't matter any, and he says, pay it at your convenience.

Q. You gave a note and $100,000 cash? A. Pardon me, I have not the slightest recollection of giving a note but it may be so; if you show me that the note that I can see it was my signature it would remind me, but I have not the slightest knowledge.

Q. How did you arrange for the payment of this extra thousand? A. I gave him $100 cash and the other he said I could pay it when it was convenient for me. I doubt that I ever gave a note.

Q. Did you ever get a receipt or give a receipt for a $900 note? A. I have not the slightest knowledge.

Q. You do not remember the note, but do you remember signing a receipt when you turned over your stock to Menzie? A. No. Let me tell you, sir, as near as I can remember, I owed the bank some money and I did not want to owe them anything and I want to go perfectly clear and straight with them and I says, "Tell me what I owe you" and I gave them a cheque for what I owed the bank.

Q. How much was that? A. That kind of bothers me to try and remember that, but I should imagine it would be in the neighborhood along of about that amount.

Q. $900? A. I do not think it was quite that amount. I think it was a little bit less, but it is hard for me to remember.

Q. Whom did you give the money to? A. I gave a cheque to Mr. McKay or else I gave it to Mr. Travers; I paid it right over then. They gave me a book—

Q. Have you looked for the cheque since or looked in your bank account? A. No, sir, I have not. I remember this that I owed the bank some money and I told them I did not want to owe them anything, I did not want to have any more transactions with them. I said whatever the amount is, which I knew at the time, I believe I said to Mr. McKay, "you give him the cheque, and I will pay you, whatever it is", but I think my own cheque was taken and I straightened the whole up so that I would not owe them one cent.

Q. What did you do with the bank stock you had? A. He never gave any. I expected I would get it, but, to explain, it was like this, when I went in there they gave me a book with the Hon. Mr. Forget, Lieutenant Governor of Saskatchewan, Hon. Mr Beattie, and some of the ablest men in the country.

Q. I do not want to go into all this; you bought stock and you paid for it in this way, by turning over the Canadian Savings Company stock and giving $100 and ultimately paying the sum of $900; what did you do with that stock or how did you get rid of it? A. It was sold to a Mr. Menzie.

Q. Who by? A. Who sold it?

Q. Yes? A. As far as I know, Mr. Travers did, for I told him I did not want to go there; I did not want to have anything to do with them and they must take the stock back or sell it for me and he said he had a party who would buy it from me.

Q. Did you act as director? A. Well, sir, according to my lawyer and according to Mr. Travers I was not a director.

Q. Did you act as a director, attend directors meetings? A. No, as soon as I was elected, sir, I told him I did not make any bargain with them, that I wanted to be let off, and he said "well, you come to the meeting and I will explain to the directors and we will let you off and I sat waiting for them.

Q. Do you remember being elected a director? A. Well, sir, there was a sort—it was not an election to my way of thinking; I did not think that everything was fair and square there; they had a fight there, or they were going to have a fight there, and they frightened the life out of me.

Q. I see you attended the directors meeting—? A. With the understanding he would let me off, that if I was there I could explain it to them and let me off, but I took no part with them.

Q. You finally got rid of your stock in some way? A. I sold it to Mr. Menzie, and I signed my name on the book that it was transferred to that gentleman.

Q. What became of your stock in the Canadian Securities Company? A. They gave up business and I went finally and I sold it.

Q. Did the Farmers Bank give it back to you? A. Yes.

Q. What time was that, how long after you took your stock was that? A. As near as I can remember it was in the neighborhood of a couple of months or so, because the first meeting they said they would let me off if I could come to the meeting, and I went with the understanding that I should take no part in any shape or form, and Mr. Travers said, "If you will come and explain it to the directors, they will let you off".

Q. You were disatisfied because you found the people connected with the bank were not the class that appealed to you? A. Yes, I made inquiry as to the class of people and I was willing to have worked with them but—

Q. You said you paid off whatever the balance was and they let you off and they gave you back your stock and you finally sold it? A. I sold the stock I had of the Farmers Bank to Mr. Menzie.

GEOFFREY TEIGNMOUTH CLARKSON, Examination continued.—

MR. HODGINS: How much was received by the bank altogether on capital account, *bona fide* received from the beginning down to the close? A. (Referring to page 18 of Exhibit 63). I make it $532,599. I wish to say this further; in that amount I had not included items shown on page 21 amounting to $13,800 which was shown to have been paid according to the books of the bank, and further I deducted $20,000 for the deficiency in the Tevis account. If it is held that $115,000 advanced Tevis on the loan then applied on capital stock is a valid payment and you do not have to take the loss into account, on the realization of the security, the amount would be $552,000.

Q. What about the item of $13,000? A. According to the books of the bank, stock held by Bate, Kelly, Kemp, Travers, Witham, Wylie, McEachren and W. Beattie Nesbitt is all shown as paid up. (Page 21 of Exhibit 63).

Q. Why do not you take it in? A. Because it was not paid by cash which came into the bank.

Q. $532,000 is the lowest calculation of the paid up capital stock of the bank? A. $532,599 is the lowest calculation of the paid up capital stock.

Q. And that was paid up in cash? A. Yes.

Q. If the Tevis transaction is entitled to stand without being charged with the $20,000 loss, there was really $552,000 of paid up capital? A. That is right.

Q. How long was it before that was all paid up? A. This statement is down to the date of the inception of liquidation.

Q. Can you tell me how much was paid up say by the end of 1907? A. No, I cannot tell you that, unless I go into the account, for this reason, that it means making up a statement based on fact and not book entries.

Q. I thought you had that? A. No.

Q. Would the bulk of that be paid up from 1907 in your recollection? A. I do not want to hazard an answer to that.

Q. Would it be too much trouble to find out just what years that capital account came in? A. No, I can prepare that statement for you, it would take some time, it would take three or four days to get that, fully that.

Q. Probably you can put that in later on? A. Then I understand you want a statement showing the actual payments from time to time, that is to say the progress of the account.

Q. Just by years.

MR. COMMISSIONER: You had better refer to this page 21 showing your reasons for treating them as not paid up, because apparently these reasons would in some cases not justify treating them as not paid up? A. My reasons are these—

Q. They are stated on page 21, are they not? A. Yes, of course this Kelly amount, I have largely recovered since the bank has been in liquidation.

Q. So that should go out, $694.50? A. That would go out.

Q. Kemp, you say is of doubtful value? A. Yes.

Q. Why do you deduct $6,000 W. R. Travers? A. Because that is taken off down below, that was included in the Tevis transaction.

Q. McEachren? A. That was the Beattie Nesbitt stock which was paid as charges against Keeley Mine and against commissions.

Q. If the commissions were due why do you charge it? A. There was a large amount charged against commissions which is very much in excess of what the agreements call for, according to my understanding and with that issue I do not feel prepared to admit the payment is all *bona fide,* at least it will have to be shown that it is.

Q. $5.000 by cheque of the Clark Manufacturing Co.? A. What happened there was this, that Nesbitt was indebted to the bank or at least there were firms indebted to the bank to the extent of $60,000.

Q. What firm? A. One was the Clark Manufacturing Co., the Hubbard Company, F. H. Ross & Co.—there may have been another one—they are all endorsed on the back of a cheque here. Nesbitt had guaranteed those accounts. The bank made a settlement with him whereby they took over his Keeley Mine Stock.

Q. The whole of it? A. Yes, wiped out these accounts and gave him $5,000; part of the Clark debt to the extent of $5,000 was caused by the issue of a cheque for $5.000 in favour of the bank on account of payment of Nesbitt's stock.

MR. HODGINS: Is that the cheque we heard about of Lindsay and Travers? A. I do not know whether you have heard about it or not.

MR. COMMISSIONER: The $5.000 cheque? A. No, there is another one.

MR. HODGINS: This a cheque of the Clark Manufacturing Company on their account in the Farmers Bank? A. Yes.

Q. McEachren and Nesbitt made a joint subscription? A. No. Nesbitt made the subscription; it was afterwards transferred and now stands in McEachren's name: McEachren was his secretary.

Q. And that appears as fully paid-up stock? A. Yes.

Q. And that you say was paid, $5,000 charged to commissions account and $5,000 by the cheque of the Clark Manufacturing Company? A. That is it, sir. The Clark Manufacturing Company afterwards paid by the transfer of Nesbitt's Keeley stock.

Q. When did that transfer of Keeley stock take place? A. March 23rd, 1910.

MR. COMMISSIONER: We did not hear before of Nesbitt having parted with his interest in the Keeley Mine?

MR. HODGINS: No, I had intended to complete that with Mr. Travers.

Q. You spoke of a question arising as to commissions; the amount charged all told for commissions is something in the neighborhood of $71,000, is it not? A. Yes.

Q. And taking the capital stock subscribed, what ought it to be at the 10% rate? A. Subscribed capital stock at the time of the failure was $584,500; I think that is the exact figure; and 10% on that would be $58,450. But you have to take into account on that Tevis stock the 1,150 shares; the commission went to Chapman by way of a transfer of capital stock of the American Piano Company; if you take $115,000 off $584,500 it will come to $469,500; if it is true that the agreement was that the commission was to be only 10%, and so far as I can see is the case, the commission would be $46,950 all told. I think the statement shows $71,000 paid out.

MR. COMMISSIONER: The commission in the early stage was to be only 5%? A. I do not understand that.

Q. That was the arrangement of the provisional board? A. That is the first I have heard of it.

MR. HODGINS: That was with Smith.

MR. COMMISSIONER: I understood up to a certain time it was 5%.

MR. TRAVERS: I think you are wrong; it was 10%.

MR. COMMISSIONER: From Mr. Lown I understood it was 5%, and they raised the commission.

MR. TRAVERS: It was before my time.

MR. COMMISSIONER: Yes, before Travers came in at all I think they were paying 5%.

MR. HODGINS: The total appears on page 48 and is $71,800; the total commission account from beginning to end? A. That is right. Mr. Travers has made the statement to me that there was an agreement that he should get 15%; I have seen no document carrying out that contention.

Q. At all events, that is the point you are raising with regard to why these should not be treated as paid up by reason of the right to commissions? A. That is the issue I raise.

MR. TRAVERS: Will you ask Mr. Clarkson if that transaction was at the time of the transfer of Nesbitt's Keeley Mine stock or not.

MR. HODGINS: I do not understand you.

MR. TRAVERS: He spoke of the transfer of $5,000 in reference to the Clark Manufacturing Company? A. No, that was away prior to it.

MR. COMMISSIONER: Yes, I understand that; it was paid earlier, but the final indebtedness of Clark and these other concerns was wiped out by the transfer? A. Yes, that is what I mean.

Q. $5,000 went to the debit of the Clark account and to the credit of stock account? A. That is what I mean.

MR. HODGINS: Still on the question of commissions, page 47, the commissions are charged up subsequent to December 31st, 1906, at $15,204? A. A separate commission account was carried then.

Q. I suppose that is included in the $71,000? A. Yes, it is combined.

Q. There is a payment to Lindsay of $3,000 in 1907, on October 1st, which I understood was in full; 1909 there is a further payment of $1,080? A. As I understand it there was a settlement made with Lindsay up to a certain date.

Q. Is the $1,080 for subsequent commissions he claimed to have earned? A. I could not tell you that; I presume it is, but I do not know; payment was made though.

MR. COMMISSIONER: From what account in the bank's books were these figures taken? A. Taken from organization account and commission account.

Q. And do they appear in one or the other of these accounts under the head of commission? A. They will appear in the bank books under the head of commission.

MR. HODGINS: They sometimes charged the commission account and sometimes organization? A. Yes.

MR. COMMISSIONER: Ultimately were the accounts merged? A. No, I do not think so.

Q. Carried through in the same shape? A. I think the two accounts will cover, the commission account and the organization account.

Q. Were they ever combined? A. No.

Q. Because I understood organization account amounting to one hundred thousand-odd dollars included all commissions? A. The commission account was written off to profit and loss in 1907.

MR. HODGINS: In dealing with the organization accounts I asked some one, I think it was Mr. Travers, how he accounted for the fact that in the report of the provisional directors, as copied in the permanent minute book at page 11, the expenses of organization were represented as $41,291, instead of $44,000-odd that appeared in the report itself as a separate document signed by Mr. Lown? A. I can only make a suggestion as to that, I do not know that it is a fact, but the amount of the paid-up capital is stated at $291,000; the amount deposited with the Government was $250,000; therefore, it stood to reason that they could not show the expenses at more than $41,000 without having an error in their accounts; I do not know if that is the reason; that is what I have always attributed it to.

Q. I wish you would look at pages 32 to 36; you have adopted certain dates for certain of the accounts; I do not know whether there is any significance in putting them in? A. The only particular significance of October 23rd, is that is the date upon which the organization meeting was called.

Q. There is a page I wanted to ask you about, page 38? A. These are the cheques I spoke about this morning.

Q. You spoke this morning of some cheques that were carried as cash; page 38 seems to give a statement which includes those; what is that statement on page 38? A. Page 38 is this, it shows the amount as having been actually expended up to November 27th, 1906, on expenses of organization, $45,105.71; the amount shown in the permanent books of the bank is $32,127.71; there was a difference of $12,907. Then the statement shows what was done with the $100,000; $75,995 was used to cover the spread payments; $20,027 to cover those securities and stock which they had on hand and $12,978 to cover the deficiency in expenditures between what they were entered and what they actually had paid; that left $109,000, and then there was a deficiency of $9,000. To clean up that deficiency they carried in their cash three cheques, Groves, Gilchrist and Beattie Nesbitt, amounting to $9,000, which came from nowhere. That is the explanation as I make it from an accounting standpoint.

Q. Page 39 is the way you make up from the books, I take it, the $291,310? A. Yes.

Q. That is the way that was made up? A. Yes.

Q. In fact? A. Yes.

Q. Will you look at page 48 and tell me if that is the expense account from start to finish, analyzed? A. When you say expense account it is not the operating account, it is known as organization expenses and commissions; it is a combination of those accounts.

Q. Does it begin at the inception of the bank? A. Yes.

Q. Right from the provisional directors down? A. Yes, right from the provisional directors to the end.

Q. A good many of the items were charged apparently in a peculiar way? A. Charged off in different ways.

Q. As shown on the statement? A. Yes.

Q. I will just ask you a question or two about that: the commissions and the provisional directors' legal expenses and various other things that includes that balance that you say you cannot account for out of that cheque of $25,344.80? A. Yes, I think that is where it must have been taken up.

Q. And then the way which that total amounts which represents expenditure was dealt with, it appears, in this way: there is a charge to bank premises, $15,000? A. Yes.

Q. Is that a proper charge? A. Not unless there are some facts that I know nothing about.

Q. Look at the account? A. No, not unless there are some reasons of which I am unaware.

Q. There is some loss on securities sold on capital account, $1,027. has that anything to do with that account? A. Do I show it as a loss?

Q. You say it is disposed of? A. I meant that is the difference between that $19,000 and the $20,027; I do not think it is a loss; it is an actual realization.

Q. R. E. Menzie, why do you only charge $20,000? A. The other previous $20,000 had been paid up by Devean; the books seemed to indicate a new subscription of $20,000 was credited to organization account; that is what the books appear to indicate.

Q. However Menzie afterwards was worked out in the Tevis matter and paid? A. Yes.

Q. There is a note of $55,000 from Travers, was that carried as an asset? A. That was discounted by the bank and put to the credit in reduction of those expenses and then afterwards was charged to that Continental transaction into the Keeley Mine and Chapman.

Q. Then follows the commission account $15,204, the details of which appear on the previous page 47? A. Yes.

Q. MR. COMMISSIONER: I do not understand that; why were those put on the other side of that account? A. That statement below means how those items were gotten rid of on the books, that is to say of that sum total of $107,000 some was charged to one thing and some to another thing, and that $15,000 represents the amount standing in commission account.

Q. Is that all that is charged to commissions? A. Under the heading commissions account.

MR. HODGINS: Those are the items, page 47? A. Yes, that commission account was wiped off afterwards in profit and loss.

Q. In properly kept books how would that $107,000 have appeared? A. There should have been accounts in there for organization expenses, for commissions, I should think there would be those two accounts.

MR. COMMISSIONER: Take this item charged to bank premises, there must have been, according to Mr. Stair and I think Travers' evidence, money spent in putting the bank in order? A. There was a very large amount of money.

Q. To what account did that go originally? A. Bank premises account.

Q. What does that bank premises amount to? A. It is further on.

MR. HODGINS: Page 65.

MR. COMMISSIONER: They swelled the branch bank premises account by putting $15,000 to these payments for commissions or something else? A. That is what I mean.

MR. HODGINS: Instead of appearing in the legitimate accounts they went to these various accounts, and in that way are misleading to any one looking at the books of the bank? A. They wrote off the account in that way.

MR. COMMISSIONER: Beyond the $55,000 one, which explains itself, what was the object of doing this, what was to be changed—I can understand the amount paid for commission would appear a great deal less than it was and the amount paid for bank premises a great deal more? A. The amount charged to bank premises would appear in their books $15,000 more.

Q. He then must have thought it would look better if the bank premises account looked larger than it really was if by doing so they could cut down the amount of commissions? A. Yes.

Q. I do not understand the Menzie case? A. The bank held Menzie's obligation for $40,000, discounted $20,000 of it went to take the place of the Devean transaction; the other $20,000 appears to have gone to the credit of this organization account.

MR. HODGINS: Why should that charge be made? A. So as to reduce the apparent expenditure on organization and commissions.

MR. COMMISSIONER: They got $20,000 from Devean which they paid back to him? A. Yes.

Q. And the stock was unpaid in Menzie's hands? A. Yes, except by note.

Q. What possible reason would there be for putting any part of that into this account? A. The only reason would be to write it down, to make it less than the account showed.

Q. Where would they show the dealing with Menzie, how would they show his account with regard to his stock; they must show somewhere, they got in money from Menzie they got so much money from Devean $20,000? A. Yes.

Q. Is that what they credited. A. (Witness looks up book).

Q. When a shareholder paid so much money on account of his stock what entries were made in the books? A. I will show you in the books; they put a receipt here—capital account stock cash book.

Q. Is that a receipt for stock? A. Yes.

Q. Capital account is credited? A. Yes.

Q. What is the opposite entry? A. $1,948, you see here. (Shows).

Q. When Devean paid his $19,000 that went to the credit of capital stock, should have gone? A. Yes, but I do not think it was carried that way; I think the stock was just held there—yes, it was, it was shown there.

Q. And as an investment in the stock? A. Yes, but when they came to write up the permanent books they did not carry that investment into it.

Q. How did they treat it then? A. They did not treat it at all; they showed it in the stock book there.

Q. If capital stock had been credited with the $19,100—A. Yes, they did, sir—that is right. They held the capital stock in payment, that is the Canadian Savings in payment of that stock.

Q. Then the securities, whatever account that was would represent that? A. Yes.

Q. How did they get that out of capital account? A. Here are the details; they all went into the stock ledger to the credit of these different people, that is it.

Q. I want to take this money that Devean had paid, $19,100 that had gone to the credit of capital account, how did they ever get that out again; what entry was made to withdraw that?

MR. HODGINS: When he got back his stock they ought to have made an entry showing that had gone back to him when the stock was cancelled. A. Here is

the Menzie transaction; there is where the note was discounted in the Toronto branch for $40,000.

MR. COMMISSIONER: Would not there be in the ledger an account with somebody for that? A. This is the stock ledger, here is Menzie.

Q. 200 shares? A. Yes, here is the $3,000; here is $20,000.

Q. What $3,000 is that? A. Here are the three items, $20,000, $17,000 and $3,000.

Q. Does that mean there were three different notes or why is it split in that way? A. Those are the three.

Q. Then he must have discounted three notes? A. He only discounted one.

Q. Why did he split it? A. There is $20,000 which goes to the credit of organization, and there is $17,000 which goes to the credit of capital stock and there is $3,000—

Q. When this man discounted his note and paid that why was not capital credited with that? A. Devean's stock had been credited previously with $20,000.

Q. Why was not the other $20,000? A. Then they paid it back.

Q. Then Devean got his back again? A. I will have to work that out again. The fact, of course, is $20,000 was credited to commissions; I will have to work that out for you unless Travers can tell you now.

MR. TRAVERS: I think you are wrong on that.

MR. COMMISSIONER: The three items certainly seem to correspond.

MR. HODGINS: Devean's stock ought to have been credited as paid up.

MR. COMMISSIONER: It was credited as paid up.

MR. HODGINS: There should have been a further credit on that when it was sold to Menzie. A. (Referring to cancelled ledger). That shows $20,000 paid up in December 31st.

Q. And he is credited on the 25th March with having paid that? A. Yes.

Q. I suppose that is the day the investment in the Securities? A. No, he transferred it on that date to the other man.

Q. They got Menzie's note for $40,000 to pay for that stock, how are they going to make the thing square on the books if they took the $20,000 and applied it to organization expenses, how is that possible? A. It will show you the credit to organization account.

Q. Where is the capital account? A. That is in the ledger.

Q. Perhaps if we had that it might throw some light.

MR. TRAVERS: Here is the explanation of that, I think (explaining to Mr. Clarkson); that $25,605 was that note from the Guarantee Company in which that was included; that whole $25,000 was charged to organization expenses and then the $20,000 of Devean's was credited back again.

MR. COMMISSIONER: Does that mean it did duty for a few days? A. Here is the item. (In ledger.)

Q. Where is the capital account? A. (Turns up.) Devean was included in that $291,000 brought over from the other.

Q. In March, on the other side, it was merged; he personally transferred it or is there any entry about it? A. No, there is none.

MR. HODGINS: Travers says when it came back—he remembers it was pledged for that $20,000 loan—when it came back from there it was charged to organization; that is his explanation of it? A. When it came back it was charged to organization.

MR. TRAVERS: Yes. A. Yes, $25,344 was charged to organization.

MR. TRAVERS: Yes, and that was the advance from the Trusts & Guarantee in which that stock of $20,000 was included.

MR. HODGINS: However it was done it does not alter the fact that it should not have been charged in the way it was? A. That $25,000, no.

Q. No, that $20,000, Menzie? A. No, the stock transaction should not go into this organization account at all.

Q. The object apparently was to make the organization account look small? A. Yes, it diminished it by that amount.

Q. Have they to show these in returns to the Government in any way? A. Organization expenses?

Q. Yes? A. No.

Q. What is the object of reducing the organization account? A. That appears in the books of the bank; you have to take the account representing these expenditures; you could diminish these expenditures by charging them to other items, such as bank premises, such as liability of a customer or something like that; it is an entirely different thing.

Q. Do you mean if it is charged to bank premises account that that is returned to the Government as a valuable asset? A. Yes, that is returned to the Government.

MR. COMMISSIONER: There is an item of bank premises? A. Yes.

MR. HODGINS: Taking that $15,000 charged up to organization and bank premises, would that enable them to show an asset of $15,000 which could be returned to the Government? A. Yes, it was returned.

Q. As a valuable asset? A. Yes, it was returned as an asset.

Q. Charging part of it in capital account, would that enable them to do the same? A. Not an asset; what is your question exactly?

Q. Whether charging that $20,000 which you have down there, which apparently should have been in capital account, would that be a benefit to them? A. No.

Q. Can you account for it being done in that way? A. The only way I accounted for it was the desire to reduce the amount of this account by charging it out into various places.

Q. But as Travers knew all about it, who else was to see it? A. If the bank kept a balance some way, sooner or later it had to go out of the way, either out of profits—

MR. TRAVERS: Can I help out on that? A. I do not know what Mr. Travers' explanation is.

MR. COMMISSIONER: Mr. Travers is making a note of these.

MR. HODGINS: Yes, you make a note to show why page 48 was so treated.

Q. Would there be any benefit in having this note of W. R. Travers for $55,000 instead of $55,000 in the organization account? A. Yes, it would appear as a loan.

Q. Would that be valuable in making a return to the Government? A. Paper under discount, yes; it would appear as a loan to customers.

MR. COMMISSIONER: It would appear as an asset instead of an outlay.

MR. HODGINS: There is an item of $9,100 which, so far as I can see from the accounts, was used to purchase some shares, do you know about that item (page 23)? A. What happened there, was, Mr. Travers discounted a call loan in the head office and took over stock purchase, the stock from stockholders who had been paid for their stock to the bank.

Q. That would mean $9,100 of bank money taken to buy stock? A. The bank held a call loan of Mr. Travers, and if he were good it would be all right; if he was not good it would mean a loss.

Q. Did he make the loan to himself personally? A. The bank made the loan to him, yes; he got the loan.

Q. Gave his own note? A. Yes.

Q. What became of that stock afterwards: did the bank ever dispose of it and get the proceeds? A. No, it is in his name now.

Q. Had he paid his call loan? A. That is a question. I have been collecting assets and applying them generally against obligations; I do not apply it specifically one thing or another.

MR. COMMISSIONER: Was it paid at the time? A. No, it was not; there was a loan of $16,800 in the bank at the time of the failure.

MR. COMMISSIONER: Mr. Travers had better take a note of these to explain why these stocks were got out of the way.

MR. HODGINS: There is another item on page 18 of $1,273.50, C. H. Smith in trust, he was the former secretary? A. Yes.

Q. What is the explanation of that item? A. He is a debtor of the bank for $1,273, the amount being used in purchase of capital stock, according to my information.

Q. Was that of capital stock before the organization or after? A. No, that stock was purchased, I think, just in the last year of the bank's existence.

Q. By C. H. Smith? A. Yes.

Q. Did he give an obligation to the bank and did they advance him the money or how was it done? A. No, I think it is by way of overdraft.

Q. Was he being used by the bank? A. I do not know; the information given to me is that he was doing this of his own initiative.

Q. He was the former secretary? A. Yes.

Q. And is now in Vancouver; that appears in an overdraft used for the purpose of purchasing stock.

MR. COMMISSIONER: Is not there some mistake about that; Smith went out of the bank before the permanent organization. A. Yes, he was secretary of the provisional directors.

Q. It must have been during that time it was done? A. No, he was in Toronto here in 1910; he borrowed money from the bank in 1910, and the information I have is he used it to purchase stock on the market.

MR. COMMISSIONER: I thought Travers and he were not very friendly? A. Not about November, 1906.

MR. COMMISSIONER: After he got his $1,800 I do not see how Travers would be much more friendly?

Q. That overdraft arises in the last year.

MR. HODGINS: Is it an ordinary business over-draft? A. To all appearances it is, but the statement is made to me that it was used to purchase stock in the bank.

Q. And there is nothing to represent it except this cheque? A. No.

Q. And it is C. H. Smith in trust? A. Yes.

MR. COMMISSIONER: Did you trace the stock? A. I have no trace of capital stock acquired by Smith.

Q. Why do you make it C. H. Smith in trust? A. That is the designation of the account: there are two accounts; one C. H. Smith in trust and the other C. H. Smith, and on inquiry which he should have an account C. H. Smith in trust I was told that that was money he borrowed with which to purchase capital stock of the bank on the market.

Q. I would like to follow these items up on page 63; I would like Mr. Travers to make a particular note of these; that was McCallum and Tamlin? A. Defalcation.

Q. By whom? A. By a man named McCallum, who was an employee of the bank, and a man called Tamlin, who was acting apparently with him, outside the bank.

Q. That represented a loss to the bank of $48,402? A. Yes, net.

Q. After the recovery—? A. Of $5,000 from the Surety Company.

Q. Was that a straight defalcation by a local manager or what? A. That is the information given to me.

Q. What was done with the loss in the books? A. $40,000 was written off to Keeley Mine and there is at present in the Toronto office two notes of $10,253 and $1,011; $21,038 is charged in the Toronto branch.

Q. Charged in what way, charged as a loss? A. No, it is in the account there as charged against the Toronto branch.

MR. COMMISSIONER: That is between the head office and the Toronto branch? A. It is the McCallum account, yes.

MR. HODGINS: This first item of $40,000 is apparently charged up as an advance made by the Keeley Mines? A. No, it is charged in stocks and bonds, written off in stocks; just in the same way as the expenditures in organization account.

Q. I think you explained about the stocks and bonds account, or was it Mr. Travers? A. Mr. Travers explained it.

Q. That was an account opened about when; what account had been used previous to that? A. The Rabbit Mining had been used to a smaller extent.

Q. What would a man looking at that account assume it meant in the way charged up? A. An investment in stocks, bonds; the account was opened on the 12th August, 1908.

MR. COMMISSIONER: What account? The Keeley-Jowsey-Wood stocks and bonds account.

MR. HODGINS: What is the date of the $40,000 being charged up to it? A. November 10th, 1908.

Q. It was as early as that; as a matter of fact the whole thing .$48,402 was a loss? A. Yes.

MR. COMMISSIONER: Before you go from that what connection had McIntyre with the matter? A. I understand, sir, that a note was taken from a man named McIntyre and carried in the Toronto books as a loan to customers. The account looks to me as though it were just simply carried so as to obviate the necessity of showing such a loss.

Q. It was not a friend of Tamlin or McCallum who came in and gave his note? A. The note is no good. I am told it was procured by the solicitor of the bank when he was cleaning this matter up.

Q. As a security to the bank or what? A. Whether it was supposed to be a security or not I do not know, but the statement is made that the solicitor took his note in connection with this defalcation and handed it over to the bank.

Q. And what was Tamlin's note? A. The Tamlin note is just the same.

Q. Is that one of these men McCallum and Tamlin? A. Yes.

Q. What has become of McCallum? A. McCallum is said to have gone to Owen Sound where he is employed in a furniture business up there.

Q. Was this all kept secret, this loss? A. No, McCallum was prosecuted in the Police Court when I think the loss was shown to the extent of $8,000 or $9,000 and he went to jail I think for three years. The full extent of the loss was not disclosed by the bank; I think it was made to appear about eight or nine thousand dollars.

Q. What was his position? A. Paying teller.

Q. In Toronto? A. Yes.

Q. How did he get hold of so much money to steal? A. Mr. Travers, I think, will have to explain that to you, sir, I cannot tell you; this is just a record of what appears of that transaction according to the books. All I know is I made inquiries about McCallum and about this McIntyre note and this Tamlin note and I was told they were taken at that ime. They are no good. I do not think I ever got any very fair statement as to why they were taken excepting for the purpose of cleaning the matter up.

MR. HODGINS: The next item on that page 63 is the Toronto office overdraft, under the head of W. R. Travers, $6,129? A. That is a withdrawal; his current account was over-drawn to that extent.

Q. The next four items we have heard of before? A. Yes.

Q. Those are as I understand it, items withdrawn by Mr. Travers and charged to these various accounts? A. That is what I understand, yes. I think we have spoken about all these things.

MR. COMMISISONER: Keeley Mine we have not got that, $125,000? A. I think that was mentioned yesterday, $90,000, $20,000 and $15,000, totalling $125,000?

MR. COMMISSIONER: What has Travers to do with that?

MR. HODGINS: These were just moneys which according to the evidence yesterday he took; you will find them on page 73. You remember he said he borrowed that $90,000 against his stock in the mine.

MR. COMMISSIONER: The whole $125,000 is made up of different items.

MR. HODGINS: Yes; this $125,000 is made up of the following: Withdrawals: $90,000, W. R. Travers, charged to Keeley Mine Stocks and Bonds; and two items above $15,000 and $20,000.

MR. COMMISSOINER: I do not see; the appropriations here of $125,000 are made up of five items? A. These items make up the $90,000.

Q. Drawn at different times? A. Yes, that $15,000 is represented by Keeley Mine note here and $20,000 is represented by Keeley Mine note here; and that $40,000 was represented by a Keeley Mine note until such times as it was charged to stocks and bonds.

MR. HODGINS: As against that, cash recoveries, and what you expect to recover, that is further recoveries expected, $32,000 has not been received yet? A. No.

Q. Looking at it at the date of failure, I suppose the $166,733 would be the debit against it; you have recovered $45,750 and you expect to get more. Is that out of the realizable assets? A. And bonds.

MR. COMMISSIONER: What are those securities for those items or things you got from Travers afterwards? A. I got $25,000 from one guarantee Co., and I have sold real estate in Toronto and Maitland and realized on some small accounts.

Q. How did you get that property? A. He made an assignment to me and practically the bank is the only creditor. The Guarantee Company would be a creditor for what they paid but we made a settlement and they waived their claim.

Q. What is the next one, dividend account; appropriations not justified $2,008; left unpaid dividends, $280—$1,728? A. That is in regard to dividends and so far as I can see there is about $1,700 dividends paid out in excess of what the stock outstanding at the time warranted.

Q. Can you trace that? A. No.

Q. Improperly paid dividends according to your view.

MR. COMMISSIONER: How did you arrive at that? A. There is an account further on, page 64.

MR. COMMISSIONER: They paid on a less amount than the ledger showed, according to this; they are all less.

MR. HODGINS: The capital stock payments are all less than the ledger showed.

MR. COMMISSIONER: If they paid a dividend upon smaller sums—? A. The ledger shows capital stock paid up in excess of what it actually was.

Q. And the dividend was paid on what the ledger showed? A. Yes.

Q. That is misleading? A. I see it is there, but what I mean is this, the dividend was paid on the ledger statement.

Q. You had better make that alteration now, "Dividends paid upon basis of capital stock payment as shown in ledger"? A. (Alteration made accordingly on page 64).

MR. HODGINS: Q. The next item will be Beattie Nesbitt charged to Keeley Mine Stocks and Bonds $5,000; that is the item spoken of yesterday as being paid to him to manage Wishart? A. Yes.

Q. The next item is August 3rd, 1910? A. There is a payment out on the Keeley Mine on August 3rd, 1910. There is no information in the Toronto office to show where that money went.

Q. Is there any cheque? A. It comes this way to the head office by way of a charge against the Toronto office of $10,000 and I have not been able—these book entries are mere bald entries, you have to have the voucher behind it to find out what the transaction is, and I have not got it.

Q. Can you turn it up in the ledger? A. No.

Q. Will you turn it up? A. I will show it in the Keeley Mine Stocks and bonds accounts $5,000.

MR. COMMISSIONER: Debited to that account? A. Yes.

MR. HODGINS: It appears in the regular order? A. It will appear in the cash book as—

Q. It does not seem to differ from any of the other items? A. No.

Q. Have you been able to verify all the rest but this? A. Yes.

Q. You do not know what became of that $5,000: it is simply charged there? A. I do not know what became of it: I won't say that the voucher was not there, but between the various prosecutions and one thing and another papers—

Q. You cannot account for that? A. No.

Q. As to the Keeley Mine I have here agreements which were made which show the payments which had to be made upon the option; there is the option first and then the agreement whereby Nesbitt, Wishart and Travers and the Farmers Bank took it over. I will put those two in. From that it would appear that Beattie Nesbitt was obtaining an advance from Wishart of $25,000 and an advance from the Farmers Bank of $25,000 for the purpose of applying said sums such option on the purchase price of said mining property.

EXHIBIT 65: Option dated the 18th day of May, 1908, from R. J. Jowsey *et al* to W. Beattie Nesbitt, and agreement of the 18th May, 1908, between Nesbitt, George Wishart, W. R. Travers and the Farmers Bank.

Q. You have gone pretty carefully through the Keeley Mine account? A. I have.

Q. And the Keeley Mine Stocks and Bonds account: the result is set out in these pages 72, 73, 74 and 75? A. Yes, that is correct.

Q. How far have you been able to tell that the advances of items charged in that were legitimate charges for mining and mining operations and development? A. I can only say this that the Keeley Mine books were kept by Mr. Fitzgibbon, the accountant of the bank: there are vouchers apparently for all the payments of all the sums that went through the account, and it is my opinion that in so far as it goes the accounts are substantially correct.

Q. There have been several items mentioned here that were charged to the Keeley Mines account that do not appear to have had anything to do with the Keeley Mine? A. The money that is shown by my account to have gone to the Keeley Mine property I think was substantially expended on the property.

Q. Look at those three pages, and then we can see what you refer to, page 72? A. The first item, $161,374 was the amount of the advance to the Keeley-Jowsey-Wood mine up to the time of the formation of the Keeley Mine. The next items amounting to $362,329 are the actual advances made by the bank to the Keeley Mine. Then that item of $13,883 is the amount which was on hand in the current accounts and in interest charges: showing that the actual advances made by the bank, direct cash advances, $509,886.95.

Q. In the first item you gave was included the two payments, $25,000 each, May 29th and May 30th, 1908, by Travers as he told us yesterday? A. Yes, one of these is Wishart's note.

Q. It includes August 15th, 1908, payment of $50,000? A. Yes.

Q. And the overdrawn account shown as $61,374.31 up to December 17th, 1908. Does that include payment subsequent to the first two fifty thousand dollars

paid upon the option? A. There is an item of $20.000 in there. There was payment made on December 15th, 1908, of $40,000.

Q. Which would be included in that $61,374? A. There is a payment in there of $20,000 previously.

Q. Included in the $61,374.

MR. COMMISSIONER: Is that what he said? A. Up to December 4th there had been all told $70,000 according to this property account of the Keeley Mine paid to the vendors. On December 15th, 1908, there was $40,000 and on January 2nd, 1909, $40,000.

MR. HODGINS: That does not seem to agree with this; there was $50,000 paid in May, 1908, and in August there was another $50.000 paid; you speak of there being $70,000 paid up to December 4th, 1908? A. According to this record.

Q. According to the books of the bank? A. The books of the bank would show the advances to the Keeley-Jowsey-Wood Mine.

MR. COMMISSIONER: What account are you looking at? A. At the Keeley Mine Ledger Property Account.

MR. HODGINS: Those do not agree? A. That $30,000 might have been expenditures on mining in the meantime.

Q. Travers has spoken of this $50,000 on August 15th, as the second payment; that and the other makes $100,000? A. The Keeley Mine books show only $70,000 paid up to that time to the vendors; the Keeley Mine property account there accounts for the payment of the $300,000 to the vendors. Without an examination of the vouchers I am not able to give you the allocation of those payments.

MR. COMMISSIONER: What is the "2" in front? A. That is two million dollars of capital stock that was issued, two million dollars was the capital stock that was issued in purchase of the option.

MR. HODGINS: $70.000 the cash payment? A. Yes; according to that book, on the property.

MR. COMMISSIONER: This starts with the new concern? A. This starts out of this other book which is the inception of that. This is really a cash journal. There is the item.

MR. HODGINS: Have you the Keeley-Jowsey-Wood books here? A. I think we have one or two of them.

Q. They spent about $160,000 a year, 1908, 1909 and 1910? A. I never calculated it.

MR. COMMISSIONER: I do not see how they agree? A. This is a statement of advances. Here it is. Bills payable transfers from Keeley Mine, there is $100,000.

Q. But it was not bills payable? A. Yes, Keeley-Jowsey-Wood Mine had issued bills to the extent of $100,000 which were discounted in the bank; and they showed according to their books on that date an overdraft of $59,513—$159,513. The difference of two thousand is interest I take it. That money was expended this way; buildings $10,786; freight, these other items in here $29,000; operating $52,000; Nesbitt $77 property account $70,000—that two millions that five hundred dollars make up this two million five hundred thousand dollars; I think the thing is all accounted for.

Q. Do these payments seem to be regular and properly made? A. There are vouchers for every payment; I cannot say whether they are all correct, but I think they are very little astray.

MR. HODGINS: That makes a total advance voucher for apparently legitimately of $509,886.95? A. Yes, sir.

Q. Give the amounts charged up to the Keeley Mine which you cannot denominate as legitimate charges? A. Here they are.

Q. Can you give me the total of them? A. They amount to about $248,391.

MR. COMMISSIONER: That is, these payments are not properly Keeley Mine payments? A. Yes, sir; pardon me, that includes $118,000 of interest.

MR. HODGINS: I was going to ask you about that. The $509,000 does not include interest? A. No.

Q. It means actual money paid? A. Actual cash without any interest at all.

Q. Then on page 73 there is an item of $118,370 of interest? A. Yes.

Q. Is that account in the bank books as charged to this account? A. Yes.

Q. And carried earned interest on an investment? A. Yes, that is $118,000.

Q. And is so used in the statements? A. Yes, carried to earnings.

Q. Then comes the item that we have already discussed with Travers, amounting to $125,000, and the payment to Beattie Nesbitt December 14th, 1908, of $5,000? A. That is right.

Q. Those are the three classes of items over and above what you call legitimate payments of cash on account of the Keeley Mine? A. Yes.

Q. From the Bank's standpoint what do they hold for that? A. They held at the time of the failure call loans at $300,000.

Q. What are those? A. Loans subject to call. That was apparently issued against the $500,000 of Treasury stock that apparently had been hypothecated to the bank.

Q. Who was liable for those call loans? A. The Keeley Mine Company.

Q. As a company? A. Yes.

Q. No one else? A. No.

Q. Current loans? A. $250,978.70, that is in the head office. In the Toronto branch there were $75,000 of current loans against which there were credits to the company's account of $7,720.85.

Q. You have spoken of the call loans, current loans, the Toronto branch, $75,000 in Keeley Mine notes less $7,720; then there are three other items of $45,000, $90,000 and $5,000 which appear represented upon the books of the bank; what are those; what did represent those at the failure? A. This $90,000 which has been spoken of by Travers, there was $150,000 of Keeley Mine stock in the hands of the bank; Mr. Travers had borrowed $90,000 from the bank and he had handed over to the bank $150,000 of Keeley Mine stock.

Q. So that—? A. It was shown on the bank's books as an investment to the extent of $90,000.

Q. $45,000? A. $45,000 interest, was charged in such form as to indicate that it was taken credit for as dividend on this stock investment.

Q. As if it had been actually received? A. Yes.

Q. What account was that found in? A. It was charged to the Keeley Mine advance account, at least it was charged to the Stocks and Bonds account, and the bank took credit for it as interest earned.

Q. The next item is $5,000 item paid Nesbitt? A. That is charged in here into the Keeley Mine Stocks and Bonds account.

Q. Some of those items you have given us, those three items in fact, appear on page 74; what is the explanation of the other items on page 74? A. The bank premises account has been written down $40,000, and that amount charged up against Keeley Mine stock. McCallum's defalcation was charged into it.

Q. Does that mean an illegitimate charge to the Keeley Mine in addition to those you have told us of? A. What I have told you of previously were straight advances by the bank to the mining company; these charges I am now mentioning are in respect of moneys paid out for different things and charged up against this stock which the bank got in the Keeley Mine, Limited.

Q. From whom? A. In the promotion of it; its one-quarter interest.

Q. What other items are there apart from the three we have gone over? A. There is an item in here of $60,000, W. B. Nesbitt.

Q. Explain that, that is in connection with the assignment of stock? A. Nesbitt was interested in two or three companies, the Hubbard Company, F. H. Ross Company, the Clark Manufacturing Company, and I think he and his wife also owed the bank money; anyway he was the guarantor on all these accounts; the

bank took over Nesbitt's interest in the Keeley Mine in liquidation of these accounts, these obligations giving him at the same time $5,000.

Q. What is the amount that was represented by that? A. $60,000.

Q. Plus $5,000? A. No, $55,000 plus $5,000.

Q. When was that transfer made? A. March 23rd, 1910.

Q. What is the next item? A. The next item is Rabbit Mountain Mining Company.

Q. What does that mean? A. There is a debit balance to that account of $10,500. It arises from various charges against it; organization expense and one thing and another at that time; they had charged $10,500 more than they had given credit for by transfer to other accounts, so that they charged the balance to Keeley Mines Stock and Bonds Account.

Q. Wiped out the Rabbit Mountain account and put it in this? A. Yes.

Q. What is the next item? A. Profit and loss; they took credit for $92,000 of profit and showed them in their statement of profit and loss, charged them up to investment in Keeley stock.

Q. Then what is the next one? A. The next is suspense account, $25,000. They carried a suspense account and charged items into it and out of it and this $25,000 is a clearing up of that. The next item is $107,500 special account, which arises out of Tevis and the Continental Securities transaction we spoke about. The next item, $45,000, is interest, general.

Q. You spoke of that? A. Yes, a minute ago. The next item is $15,000 in purchase of Keeley Mine stock from Crompton and from Whitney. Crompton has paid back since the failure of the bank the $10,000 that was paid to him, but Whitney has not.

Q. Whitney is a New York man? A. New York theatre manager. The next item that appears there, that payment of August 3rd, 1910, out of Toronto office, $5,000; that makes a total of $535,000 charged to the Keeley Mine Stock and Bonds account.

Q. Speaking in round numbers, the legitimate charges of the Keeley Mine are $505,000, and then there is interest? A. That is advance account.

Q. That is legitimate advances because they went into the mine or spent on account of it? A. Yes.

Q. Then there is $118,000 of interest? A. Yes.

Q. Apart from those two items, are any of the others which you have given us proper and legitimate to be charged to that account? A. From my standpoint. That comes down to a matter of opinion, I disagree with Mr. Travers. Mr. Travers said he was warranted in doing this, and I say I do not agree with him; I do not agree with this method of charging up these profits and taking care of these losses. I do not think this method was proper under the circumstances which obtained.

Q. What was the method adopted? A. The method adopted was this, if the bank made a loss or the bank wanted to show the earning of a profit it charged the amount up as an investment in the Keeley Mine Stock and Bonds; in other words, if the bank here wanted to show a profit of $92,000 in its account it took credit for having earned a profit of $92,000 and showed the expenditure of $92,000 in this stock. That question simmers down to a difference of opinion.

Q. Does not it simmer down to this, that he was assuming the mine was worth a very large amount of money and consequently could stand all these losses, and from your point of view unless it realized them it would not be fair to charge them? A. That is a risk he ran, and he lost.

MR. COMMISSIONER: I suppose he ought to have waited until he realized the profits and then carried them to profit and loss account? A. If he had realized those profits I don't think anybody could cavil very much at this method of treating this; but he was anticipating.

MR. HODGINS: The Keeley Mine itself appears to be responsible for the $505,000, and perhaps for the interest charges? A. For a large portion of the interest.

Q. But so far as the other items are concerned, they arise out of different transactions and have only been gathered together in the Keeley Mine account because they thought that account would ultimately make good a profit sufficient to wipe them out? A. That is the idea.

MR. COMMISSIONER: It is treated as an investment in the stocks and bonds of the Keeley Mine to an equivalent amount? A. That is it exactly; it is treated as an investment in this stock.

Q. Stock and bonds? A. It is called stock and bonds account, but it was really stock.

MR. HODGINS: There were no bonds issued except those that the Trusts & Guarantee Company got? A. The bonds were pledged for the obligation owing to the bank; the bonds were pledged against advances, the stock was used to take up these losses.

Q. They might just as well have charged those additional items to John Smith or Tom Brown if they thought he would make good and pay the bank that money? A. Mr. Travers has given you his reason; he had that stock and he charged that to it.

Q. I do not think it would be fair to assume that the bank had put all that money into the Keeley Mine; it lost it in various ways and then put it in the meantime into these accounts, till the Keeley Mine could make good; in which case they would have appropriated the profits in the Keeley Mine to wipe those out; does that appear to be the case? A. The bank made these losses, expended these moneys, charged these expenditures as investments in this stock, stock which it had got for nothing; it anticipated making a profit out of this stock; it did not make the profit and therefore—

Q. The original amounts that are charged there had nothing whatever to do with the Keeley Mine? A. No.

MR. COMMISSIONER: Supposing he had adopted another course and treated this stock as being of the value of half a million and credited that to his profits, would not it have come to the same thing? A. Yes, in the end. Yes, because he would then have had to have written the stock off when it was ultimately realized.

The Commission adjourned at 4 p.m. to 11 a.m. to-morrow.

Toronto, May 29th, 1912.

The Commission resumed at 11 a.m. at Osgoode Hall.

GEOFFREY TEIGNMOUTH CLARKSON, Examination Continued:—

MR. HODGINS: You were discussing the Devean and Menzie transaction yesterday and you have prepared a little statement dealing with it? A. Yes. I wanted to explain that thoroughly; I was a little bit confused about it yesterday. I have given you a memorandum. I will tell you the exact course of the transaction; if you look at page 39 of the report (of Exhibit 63) you will see securities on hand $20,027, and added in the total capital stock the total of $291,310 is the capital paid up on November 26th when it was organized. That means that Devean's capital stock was shown as paid up out of moneys borrowed by Travers

from the Trusts & Guarantee Company; in other words, he allocated $20,000 of that money in payment of this Devean stock.

Q. Do you mean giving him the Dominion Permanent stock to the good as well? A. I mean to say he borrowed $20,000 from the Trusts & Guarantee Company and he allocated that as cash received in payment of the Devean stock.

MR. COMMISSIONER: He gave the Trusts Company as security for that the Canadian Savings stock that he got from Devean? A. Yes. In March, 1912, when he paid the Trusts Company loan off, that was equivalent to the return of this cash which was presumably held by the bank in payment of that stock, but instead of charging it to capital stock he charged it to organization account, then he had the stock to the good, but the Devean capital stock not paid. He credits that $20,000 to organization account to offset the payment of $25,344.80 paid to the Trust Company.

MR. COMMISSIONER: Perhaps you would explain at that point what accounts for the difference between $20,000 and $25,344? A. There is the $2,380 of the Laidlaw and there is $1,100 bonus and interest for the balance. He did not put through that entry, however, crediting the organization account with this $20,000 of Devean stock until the time of the Menzie transaction. At that time Menzie had given a note for $10,000, which was discounted in the Toronto branch; he split that, allocating $20,000 of these proceeds to take the place of the Devean securities which were handed back to Devean, and the other $20,000 he added to capital account; increasing it. That is the transaction.

MR. HODGINS: What was the object of doing the transaction in that way from his point of view? A. I do not know, excepting this, it was irregular to put it into the organization account, but it only made a difference of $5,344; $2,300 of that was the Laidlaw amount, and the balance was interest and bonuses. I suppose the interest and the bonus was the cost of carrying this deal through.

MR. COMMISSIONER: If he had taken it off the capital account, reduced the capital account, that would interfere with his circulation to that extent? A. It would have reduced his circulation.

Q. That probably was the object? A. He would have reduced the circulation, but if he had done that there would have been no reason why he should not have put back the $20,000 at once; it would have reduced his right to circulation $5,344.

Q. Only? A. Yes, only.

EXHIBIT 66: Memorandum re Devean and Menzie transaction.

MR. HODGINS: Q. There was a transaction in Syracuse, New York State, in reference to the proposed buying of control of the Mutual Life Insurance Association? A. Yes.

Q. That transaction such as it was fell through? A. The purchase was not completed, no.

Q. What was the loss on that transaction of the bank? A. $15,000.

Q. And that amount only? A. That is so far as I can ascertain.

Q. I do not want to go into it, but perhaps it would be just as well in a general way to say what it was and how the loss was occasioned? A. As I understand it, the bank had given a deposit receipt for $150,000, a non-negotiable receipt; the receipt was negotiated and the proceeds of sale were divided as far as I can find out amongst a number of people, amongst whom was John Tevis that we have heard of. The New York Insurance Department stopped the transaction and compelled the re-payment of all the money but $15,000 which Tevis had secured. This is as I understand it. To get back its deposit receipt and to prevent the transaction being carried further, at least the proceedings by the New York Insurance Department being carried further, the bank loaned Tevis $15,000 on some mining stock now worthless and issued to a bank in Syracuse two deposit receipts amounting to $15,000 which were subsequently paid.

Q. Do you remember what mining stock they loaned on? A. Big Vein Copper Co.

Q. Is that worthless now? A. My inquiries indicate it is.

Q. That is the transaction that is detailed in the Return to Parliament as I understand it; there is a good deal of correspondence from Superintendent Hotchkiss and Mr. Charles Hughes with the Finance Department, that is really the same transaction is it not? A. Yes, that is the transaction referred to.

Q. It begins with a letter dated January 11th, 1910, from William H. Hotchkiss, Superintendent of Insurance to the Finance Department, and Charles Hughes was sent by the Insurance Department and that is all detailed in the printed memorandum and it had a good many ramifications, but the net result to the bank as you find it was this $15,000? A. A loss of $15,000.

Q. It was said that Travers took actual circulation with him over to Syracuse, was that returned? A. The evidence given was to the effect that $150,000 was taken over and returned.

Q. When you say the evidence, do you mean the evidence taken by the Insurance Department of New York State? A. Yes, I think there is a copy of the evidence in one of those books and the information given to me by Mr. Travers and Mr. Fitzgibbon.

Q. It was returned; you do not find any such loss in circulation? A. No.

Q. Which would indicate anything incorrect in that? A. No.

Q. When was that loan made to Tevis; the correspondence begins in January, 1910? A. I will have to get the call loan register.

MR. COMMISSIONER: Is that very important?

MR. HODGINS: I do not think so. A. I can tell you by reference to the call loan record.

Q. There is nothing else that calls for comment in connection with that transaction from your point of view? A. I think not, Mr. Hodgins, that is the ultimate result to the bank; this call loan would have been made at the termination of these proceedings in connection with it; it is not at the initiation.

Q. Does Tevis appear in any other transaction than what you have given us? A. Tevis appeared in that capital stock transaction, the purchase of $115,000.

Q. Are those the only two transactions? A. Yes. Of course Tevis was mixed up with the Knabes of New York and Baltimore, and the Knabes while it is a different transaction still there was a relationship generally between the bank and that crowd.

Q. Are the Knabe's liable in any way to the bank or alleged to be liable? A. Yes, they owe the bank between $80.000 and $90,000.

Q. How did that arise? A. The bank loaned them money.

Q. On what? A. The bank loaned them money and took as security their direct obligations and some notes of a man called Barnsdale, of Pittsburg, and a concern called the Manhatten Securities Co. of New York, and it was also claimed that this Tevis capital stock in the bank really belonged to the Knabes.

Q. Are they the piano people? A. Yes.

Q. Were they members of the American Piano Co? A. They were, and I understand they were the promoters of it or connected with the promotion of it.

Q. What was the dealing that this bank had with these people in the United States which resulted in the loss of $80,000 or $90,000? A. The explanation given to me is that they were regarded as people of responsibility, that they wished to purchase the control of the Federal Life in Hamilton. They approached the bank and the bank made two loans to them aggregating $100,000 and issued deposit receipts for varying amounts which the bank subsequently was called upon to pay.

Q. I find a letter and the papers from Mr. Hunter to the bank advising that it was illegal to issue deposit receipts for that purpose; that appears among your

papers; as a matter of fact do you find records of deposit receipts being issued? A. To the Knabes?

Q. Yes? A. Yes. I do not understand that. Loans were made by the bank to the Knabes.

MR. COMMISSIONER: You do not understand how that could be *ultra vires*? A. No, it was an ordinary banking transaction; they made the loan and issued the deposit receipts in satisfaction of the proceeds.

Q. He may have got the idea that they were buying the Federal Life? A. I think that refers more to that, the deposit receipts being issued in purchase of Federal Life stock.

MR. HODGINS: What security did these Knabes give for this loan? A. I was instructed when I first went into the bank that the bank was supposed to hold an option on certain Federal Life stock. As a matter of fact it turned out that that option was not held by the bank, it was held by another party in town here who had advanced money to Knabes. The only security therefore the bank held was their own personal responsibility and the responsibility of Barnsdale, of Pittsburg, who I think expended somewhere about $25,000 and the Manhatten Securities Co. of New York to a similar extent. The Manhatten Securities Co. is worthless, we exhausted its responsibility and collected two or three thousand dollars. I think we have collected from Barnsdale about eight or nine thousand dollars and have an action pending against him in Pittsburg.

MR. COMMISSIONER: Any hope from that? A. I think so, sir, but it won't come up for a year and a half; the lists are congested there and it will take them a year and a half for the case to be brought to trial. We issued the writ over a year ago. Against the Knabes we issued a writ in Baltimore.

Q. That is not worth much? A. No. I got an offer of $10,000 in satisfaction of their obligation which I would not take.

Q. What was the bank getting for taking that; it would be a pretty big transaction; was it to get simply interest or a big bonus? A. No, interest, simply interest; but I understand what it had in view was it would get substantial deposits if it helped these people in buying this company, it would reap its reward in deposits.

MR. HODGINS: That is if it bought the Federal Life the premium income is large, it would all pass through them? A. The bank would get substantial deposits.

Q. A very good class of business to do? A. It is a high class company.

Q. What was the motive of the effort to get control of the People's? A. I think the same motive; well, this is the explanation I have; this deposit receipt of $150,000 was to be issued in purchase of the controlling interest in the People's Life which was then to turn around and buy $150,000 of the capital stock of the bank, returning the deposit receipt in payment. That would mean in the ultimate that the bank would have sold $150,000 of its own capital stock, having it invested in the People's Life stock.

MR. COMMISSIONER: What was the stock in the People's Life worth? A. I do not know that; I did not follow that deal any further.

Q. You do not know whether it was a solvent concern? A. I do not; I presume Mr. Travers can tell you more about that.

Q. Was the idea to bring that over here or to operate the company in New York State, this People's Life is a New York corporation? A. Yes, a New York-Syracuse corporation; I do not know what the idea was. I understand the idea was to get out $150,000 of Farmers Bank capital stock.

Q. At par? A. There is a statement in the folder there, but I did not follow up the details.

MR. HODGINS: You have the evidence taken by the State Department. I think I have seen it here? A. Yes, I take it to be a copy of evidence given by Mr. Travers before the State Department.

Q. And others? A. Yes.

Q. They held an investigation into it? A. Yes.

Q. This is a letter from Mr. Hunter dated the 30th June, 1909, to Mr. Travers with regard to the Federal Life. In this matter I have carefully considered the proposition made on behalf of Mr. Knabe, that the Bank should assist him and his associates in purchasing the control of the Federal Life for a sum of $334,000 by making an advance to Mr. Knabe either in money or by deposit " receipts of the Bank to the amount of $200 to $300,000. A bank deposit receipt certifies that the holder has monies to the amount named in the receipt to his credit and the bank is accountable therefor to the holder on a certain length of notice. If the Bank were buying securities or lending monies on securities, it seems to me, the bank could legitimately issue deposit receipts for the amount of the purchase money or the amount of the loan; but where the purpose of the deposit receipt is to assist a third party in borrowing from some other institution, in my opinion the issue of the deposit receipt by the bank would be a grave violation of the law. It is also suggested that the bank might borrow in New York the monies necessary to make the advance to Mr. Knabe. As already explained to you in our interview in the presence of Mr. Knabe, in my opinion, such a course would be unlawful. I understand that Mr. Knabe as a large shareholder of the bank is entitled to every consideration, but in asking the bank to undertake a transaction of this magnitude on the security proposed seems to me to be beyond anything that he has a reasonable right to expect.

" Yours truly,

W. H. Hunter."

"P.S.—The proposition that the Bank lend Mr. Knabe some of the bank securities to assist in this operation is of course completely out of the question.

W. H. H."

Q. What was done according to the records was the issue of a deposit receipt was it? A. The loan made to Knabe of the $100,000 thereabouts and the issue of a deposit receipt apparently in satisfaction of the proceeds.

MR. COMMISSIONER: Instead of paying him cash? A. They gave the deposit receipts. That did not appeal to me as being improper.

MR. HODGINS: Is Mr. Hunter right in saying Mr. Knabe is a large shareholder of the bank? A. I am told the Tevis stock was really held in trust by him for Knabe; I have seen no actual evidence as to that.

MR. COMMISSIONER: What was this man Knabe doing, getting out of the piano business to become a speculator or a promoter? A. I understand that he and his brother had two or three million dollars on his father's death, and that he speculated it all away until he is insolvent.

Q. This is one of the schemes? A. Yes; he has probably gone into a number of things like that. I do know, he was in a surety company in Baltimore, which had a very bad failure and I have a detailed report somewhere or other.

MR. HODGINS: About the deposits of circulation with the Trusts & Guarantee Company, you have gone over that account pretty carefully in great detail? A. Yes.

Q. Practically from day to day since it began? A. Yes.

Q. I do not know whether you have any short abstract of it which will illustrate the situation? A. I have a statement giving the daily balances.

MR. COMMISSIONER: Does that differ at all from the statement that has been made that they deposited at first $1,000 a day? A. It does not differ.

MR. COMMISSIONER: What is the use of it?

MR. HODGINS: I am accepting that, that is just what the facts show in this book; I want to get Mr. Clarkson's view of the result of that in point of view of the bank as a loss to the bank? A. I regard it as an improvident transaction.

MR. COMMISSIONER: I would like Mr. Clarkson to give his reasons for that, because it does not strike me so? A. I will illustrate that. I will give you a date where there is a balance in favor of the Trusts Company to the extent of $11,000.

Q. That is taking the two accounts? A. Yes, the bank had on deposit with the Trusts Company at that date $170,000 on which it was drawing no interest; $25,000 of that $177,000 had originally been loaned to the Trusts Company at 75% before it was put into the circulation account where it drew nothing. That left the amount arising out of deposit circulation, $145,000. Mr. Travers gave evidence here the other day to the effect that of the deposit of circulation the amount out from time to time would be about $25,000 unredeemed; I think that is about right. Deducting that, that would leave the bank as having redeemed the $120,000 of that circulation; so that for its deposit of $170,000 with the Trusts Company the bank had paid out legals and gold for the $25,000 which it had originally loaned to the Trusts Company for the $120,000 which it had redeemed, circulation which it had redeemed through the Clearing House, that is to say that $145,000 out of that deposit of $170,000 was actually legals and gold which the bank could have taken to the Bank of Montreal or any other bank and deposited at 3% and gotten at the rate of $4,200 a year on.

MR. COMMISSIONER: I do not follow that. A. The deposit on that date was $170,000; $25,000 was a loan originally advanced at the inception of the account.

Q. Leave out for the present that—A. That makes $145,000 arising out of circulation. That circulation was being put out by the Trusts Company and coming back into the bank all the time and the bank was receiving it through the Clearing House in legals, in actual gold or in legals.

MR. HODGINS: The point is how was it doing that? A. It was taking it out of the deposits of other customers, that is how it was getting it.

Q. This deposit that you speak of of $170,000 was the aggregate of $1,000 a day roughly speaking? A. Exactly.

Q. They had mounted up to that? A. Yes.

Q. In the meantime the Trusts & Guarantee Company was paying it out over the counter and it was coming back? A. Yes.

Q. But when it came back to the bank Mr. Travers says they re-deposited it? A. They redeemed that circulation through the Clearing House.

Q. I understood him to say that the volume outstanding at any time would not be more than $25,000, and that would be going around and around in circulation, although in the books it would accumulate? A. Yes, but they had to pay out $145,000 of circulation.

Q. But the point Mr. Travers made was that that was not all different circulation, that it was $25,000 so to speak, re-deposited week by week or month by month? A. No, what I understood from Mr. Travers and what was the fact is, that of the circulation deposited with the Trusts Company there would be $25,000 out with the public and that the remainder would be coming in through the Clearing House and redeemed by the bank.

Q. Why do you say that is the fact, are you speaking from the books? A. No, you cannot speak from the books; I mean as to general experience as to the average length of time that circulation remains out.

Q. Would it not be possible to have made that account up to that amount if Mr. Travers' theory is true that about $25,000 was circulating around from time to time, first from the bank to the Trusts Company and then to the public and then back through the Clearing House to the bank and then re-deposited to the Trusts Company? A. That would have been all right, but you must remember that every time that money came in from the public through the bank the bank had to pay gold to the public for it, so that I say that out of this deposit of $145,000 allow-

ing that that was a mere circulation of $25,000 currency—and that is about correct, because there are about 25 days a month— it still left the bank had paid out in gold to the public $120,000 in returns of its circulation as it came into the bank from time to time: what I say is that that $120,000 in gold which the bank had paid to the public in payment of these bills which it got back and then put into the Trusts Company again, it could have taken to any other bank and deposited at 3%

MR. COMMISSIONER: Or lend it to customers at six and seven? A. No, that would hardly be fair to go so far as that, because the bank had to keep a reserve and the reserve had to be with some depositary where they could go and get legals.

MR. HODGINS: Are you taking this into consideration that every time they redeposited this $25,000 they would get from the Trusts & Guarantee Company legals or a cheque on the Bank of Montreal to produce legals? A. No, Mr. Hodgins, there was no drawing against this account, except by way of reducing balances equally until 1910 when the Clearing House balances began to go against the bank.

Q. That is the fact I wanted to get from Mr. Stockdale the other day. That account began when— there is not a withdrawal in it if I remember for the first year? A. This account began on January 2nd, 1909, with a transfer to the deposit account of the loan of $25,000 made by the bank to the Trusts Company.

Q. How long did it go simply depositing and the circulation going out to the public and without a withdrawal from the Trusts & Guarantee Company which would produce legals? A. Which would produce legals?

A. Yes, they both described the operation as a deposit on the one hand and then a withdrawal on the other by cheque which would produce the Trusts & Guarantee Company cheque on the Bank of Montreal, and they would go down and get legals for that—the statement furnished by the Trusts & Guarantee Company shows the first deposit was the 12th January, 1909? A. The first deposit of circulation?

Q. Yes? A. That is right.

Q. And the first withdrawal on August 30th, 1909? A. That is not correct; well, that was an equal reduction, the bank reducing its account $100,000 against the Trusts Company and the Trusts Company reducing its deposits in the bank by $100,000.

Q. That August 30th cheque was entered for $100,000, does that mean they sent a cheque down and got $100,000 in legals? A. No, it is a cross entry.

Q. September 14th is the next, $50,000? A. That is a cross entry.

Q. The next, December 31st, $50,000? A. That is a cross entry.

Q. That would mean that during 1909 they got no legal tender from the Trusts & Guarantee Company, if I understand the account? A. Not that my investigation shows.

Q. If they did not do that, how much circulation did they put in up to the 31st December, 1909? A. About $324,000 all told.

Q. Is that the total of the account on that date? A. No, the total of account was $124,000, but there had been three cross entries to the extent of $200,000.

Q. During that year, 1909, had they large balances or about equal balances from time to time?

MR. COMMISSIONER: Have we not got all that?

MR. HODGINS: That account has never gone in, no. You remember, I questioned Mr. Stockdale about it and I got from him the withdrawals, but not the details of the deposits, and I do not think it is necessary beyond giving the times? A. The account ran in varying ways.

Q. Take the 31st December, 1909? A. On the 31st December, 1909, the Trusts Company was owed $32,000 in the ultimate balance.

Q. That is the difference between the two sides? A. Yes, between the two sides.

Q. But not subtracting them give me the total deposits? A. The bank had with the Trusts Company $124,000, and the Trusts Company had with the bank $155,000.

Q. During that year, do you find that the Trusts Company were getting interest, during 1909, on the balance that it had there, irrespective altogether of the state of the deposit account? A. It was.

Q. Did that continue during 1910? A. Yes.

Q. Perhaps you would look up the earliest withdrawal? A. January 14th, there was $20,000 there; that was actual withdrawal.

Q. They appear to be so from that on, unless February 11th was a cross entry.

Q. Mr. Stockdale said that that part of the deposit with the bank which represented the Hamilton Estate was a liquidation account and the interest would go to the liquidation and not to themselves personally? A. I presume that would be correct.

Q. If the two accounts were set off against the other and the interest was paid from one side, what rate would it be upon the difference between what the one owed—

MR. COMMISSIONER: We can calculate all that; do not let us encumber the records with that; we know what was being paid—3½%, was it not, on one side, and nothing on the other? A. Four per cent on their own savings balance and three on the chequing account.

Q. MR. HODGINS: We have not the basis to make the calculation on? A. Do you mean on the ultimate balance?

Q. Yes? A. It runs from 40 to 100%.

Q. If Mr. Stockdale is right, that 4% on the Hamilton should not go to them at all, the Trusts Company would not profit to that extent? A. No.

Q. But the bank would be paying at that rate? A. The bank paid at that rate.

Q. It is said by Mr. Travers that this deposit of circulation and its being paid out over the counter by the Trusts & Guarantee Company was an advantage to the bank? A. I differ with him in this way: the issue of circulation by a bank is undoubtedly a benefit; but if the bank issued its circulation without interest or without charge, I fail absolutely to see how it can get any benefit. It is just the same, as, take yourself and Mr. Travers and myself; I owe Travers some money, I come to you and ask you to lend me your promissory note and you do, and I credit you in my books as my creditor for $1,000, and I give you a promissory note to Travers. Travers comes to you and asks you to give him gold for it; how do you make any money out of the transaction? That is exactly what happened. There is this merit in the transaction that he was able to go and get legals there when he wanted it, but he might just as well have gone to any other bank and got them. That is my opinion and it may differ from Mr. Travers, but I am strongly of that opinion.

Q. I think probably Mr. Travers and you really agree; was there any benefit in 1909 in having this circulation deposited with the Trusts & Guarantee Company, irrespective of its issue altogether, to enable them to show that the Trusts & Guarantee Company owed them that amount? A. It showed in their returns to the Government as a reserve; it showed as "other assets", but it was understood it was a reserve.

Q. There was an advantage from the banker's point of view in doing that? A. There is always an advantage in showing there is a quick reserve there.

Q. I think we have got this far, that admitting that to be so, the advantage would be gained altogether by the deposit with the Trusts & Guarantee Company and that its handing out the circulation would be no benefit at all, because it would

come back immediately and have to be dealt with? A. It would come back; I think on the average they calculate about five weeks.

MR. COMMISSIONER: That is what Travers said? A. Circulation is out for five weeks. If they had put it out at interest it would have been one thing; lending it without interest destroyed the benefit.

MR. HODGINS: To sum it all up, what is your idea as to why this device was adopted? A. I do not know; I can only give you an opinion. The Trusts Company deposited heavily with the bank, and it may be that it deposited in these large sums because it had a heavy deposit from the bank and it was a profitable transaction to it; it was earning a large amount of money on this thing when it was practically being given the wherewithal to make the deposit: that is the way I look at the transaction, and I instructed my solicitor that I deemed myself entitled to receive from the Trusts Company interest on this account; whether I have a legal right to it is another matter.

Q. Just to wind up the Trusts & Guarantee, you paid their entire claim? A. Under an agreement merely; it is to be without prejudice to our rights, and they put up certain securities which are lodged in the Bank of Montreal.

Q. You paid off their entire claim as you found it at the date of the failure, the agreement being it should not prejudice your rights? A. No, it should not prejudice our rights.

MR. COMMISSIONER: To the extent that $25,000 was always out, surely that was a benefit to the bank; they had that much paying no interest upon it while it was out? A. But the bank were getting nothing for it.

Q. Was it not a benefit to have their bills in circulation advertising the bank? A. From an advertising standpoint, yes; not otherwise that I can see.

Q. They were paying no interest upon it; it was costing them nothing. A. Costing them nothing.

Q. To the extent of the circulation that was out? A. Costing them nothing until they came to the point of redemption.

Q. In other words, practically what you mean, apart from that $25,000 that was always in circulation they were lending the balance without interest to the Trusts & Guarantee Company? A. Yes, sir.

Q. That is your proposition? A. Yes.

Q. I do not quite understand how you can make this large interest, 40 to 100%? A. I give you how I arrive at it; we will take here as an instance, December, 1909; the balance was $31,000 in favor of the Trusts Company. The Trusts Company were receiving 4% on $120,000, that is at the rate of $4,800 a year; and 3% on $77,000, that is at the rate of $2,300 a year; that would represent $7,100 a year on an ultimate difference of $31,000.

Q. You are taking one of the worst cases? A. No, not the worst case. I will take the worst case. The bank was owed $18,000 by the Trusts Company; the Trusts Company owed the bank $218,000 and the bank owed the Trusts Company $200,000: the bank was paying interest on $200,000 and the Trusts Company nothing on $218,000, and if interest were calculated on that the rate run into a large figure if you take the ultimate balance.

Q. You get at the figure by computing your 3% which you say the bank would pay on these deposits? A. Yes.

Q. You can get exactly what that was? A. You can get exactly the ratio per day.

MR. HODGINS: You have tabulated very carefully there the daily balance so that if it is of any interest to anybody to get the exact figures from time to time you make it up? A. I tabulated this for the purpose of that litigation we had with them.

Q. I would like to go over some special matters with you; in the first place, you, I suppose, have not been able to make up that statement I asked you for yesterday? A. No, that will take us four or five days.

Q. I am going to ask you to add something to that just at the same period; dealing with the circulation itself you have the amount that was outstanding at the time of the failure? A. Yes.

Q. How much was issued altogether, how much was used altogether and put into circulation? A. During the life of the bank?

Q. Yes? A. I cannot remember that.

Q. You have the amount that was printed? A. The amount that was printed was $825,000.

Q. And the amount that was on hand at the time of the failure you have $286,635? A. Yes.

Q. And was what was printed all out, all extent and would have to be redeemed if presented? A. No, that $825,000 of circulation that was printed, there was I think $275,000 in the Toronto office and then in each of the branches there was a certain amount of circulation on hand in the teller's boxes.

Q. You are giving them credit for that; I am asking you if the difference is all out and liable to come in? A. Now?

Q. Yes? A. At the time this statement was prepared there was $405,000 of circulation out in the hands of the bank in the country; at the time of the failure there was $538,360 of circulation outstanding.

Q. That would be a first charge on the assets then? A. Yes.

Q. And you have redeemed this $132,000? A. I redeemed more than that, it is down to about $340,000; I have redeemed about $200,000.

Q. You are paying from time to time as you—? A. That is the first thing I pay, whenever I get any money it goes out in circulation, because it is interest-bearing.

Q. In the statement I have asked you to prepare could you indicate at the end of each year the amount of circulation outstanding, is there any way of doing that? A. No, the monthly returns to the Government would give you the circulation each month.

Q. You have not those monthly returns? A. Yes.

Q. The monthly return at the end of December of any year would show the amount of circulation then out? A. Yes.

MR. COMMISSIONER: If the return was correct? A. Yes.

Q. Have you verified them? A. No, I have not verified the monthly return but I do not believe it could be out; it was right when I went in here and it was checked over by the Bankers' Association from time to time.

MR. HODGINS: You are getting me a statement of the capital stock paid up at the end of each year and I would like to see the amount of circulation then outstanding at the end of each year? A. You understand the bank is required to make a return to the Canadian Bankers' Association monthly of the circulation outstanding; they would have all those returns for every month.

Q. When you are making up a statement it would be convenient to have that, because that would show the amount they had in paid up capital and the amount they had outstanding in circulation? A. That raises two or three issues; am I to treat this Tevis loss as a loss apart from capital or deduct it from capital?

Q. You are just to use your own judgment as long as you so state that you have either included or excluded that. I think you gave me the total amount of capital stock paid up as $552,000 and if the Tevis loan was counted in it was only $532,000? A. I can give you a statement that will be pretty nearly correct, but I cannot vouch for its absolute correctness from time to time.

Q. I only want it as near as you can get it each year? A. I will get that.

MR. COMMISSIONER: Where is this circulation? A. There is an agreement standing between the various banks under which it is in the hands of Mr. Hender-

son of the Bank of Toronto and myself as trustees, and lodged in the Toronto General Trust Company.

Q. How much is there? A. There is about $340,000, $320,000.

Q. Surely some of it is lost and will never be presented for redemption? A. There will be some of it, but we never can tell that.

Q. Have they got bills to the amount of—? A. $320,000.

Q. What is the difference between that and the amount outstanding? A. There is about $15,000 to $20,000 that has not come in yet; it may come in and part of it may never come in; but it was put there on account of an agreement whereby the bank reduced the rate of interest on the bills to 3% instead of 5; that is why that was done.

MR. HODGINS: The amount held by the various banks amounted to $320,000? A. Yes, about that.

Q. Are there any other holders of circulation? A. Probably $15,000 to $20,000 of which I have no record.

Q. That amount then would be $340,000? A. That is what I say is now outstanding.

Q. At page 50 you give the balance which of course would be—? A. That is October 11th, last year.

MR. COMMISSIONER: Was there any inspector for this bank? A. Fitzgibbon was presumably inspector.

Q. Inspector of what? A. Chief accountant and he made some inspections of the branches.

Q. If there had been even the most superficial inspection of the bank, would not at a very early stage its condition have been discovered? A. There is absolutely no doubt about it.

Q. From the very beginning it was—? A. Its books did not jibe with the facts when they were opened.

Q. And it was beginning to decay as soon as it was born? A. Before it was born.

MR. HODGINS: Q. How long did it take you after you became liquidator to get to the bottom of the transactions in the bank's books? A. When you say that, I do not know, but I knew within half an hour after I went into the office that things were not right,—you mean to get to the bottom of these transactions?

Q. Yes? A. I do not know; it had just come from time to time.

MR. COMMISSIONER: Anybody going in there with any knowledge would at once have known things were wrong? A. They would have found out very quickly.

Q. And the money that has been wasted almost from the beginning? A. Yes, they would have found it out very quickly.

MR. HODGINS: There is I suppose any one who would have the right to call for what he wanted, not simply one who was obliged to be satisfied with anything shown to him? A. You must understand the bank books are, as I said yesterday, mere bald entries, and on the face of them they would not indicate very much, but anybody having an understanding of accounts and calling for the items, which I do not know you intuitively see are not what they should be, and call for the items, they would have found that out very quickly, found out the condition.

Q. Would any one taking the bank return to the Government say on December of any year and going into the bank with that return and simply verifying that return be able to discover anything? A. It depends on how far he would go; if he wanted to take just the face of the books they would agree with the return, but if he wanted to examine into any of the investments like the Keeley Mine or Stocks and Bonds accounts he would have seen at once there was something wrong.

Q. If in other words he took the item of "other assets" or assets not enumerated in the foregoing heads and called for details of that? A. No, the books would seem to indicate—when you speak of other assets you mean that $80,000?

Q. Yes? A. No, the books would seem to indicate that was absolutely the same as a deposit in any other bank or Trust Company; but if he began to go behind, take the Stocks and Bonds account and he went to go over the vouchers to see what the payments were made for he would soon meet with information which would show him that they were not there from actual investments in stocks and bonds. That is how the opening would come.

Q. The fact that the voucher would not tally with the entry? A. The voucher would tally, but the voucher would show that the facts disclosed on it did not warrant the payments being held out as investment as they were.

Q. To follow that a little further; supposing the vouchers had all proved to be accurate, as you admit up to the extent of half a million they were accurate in the Keeley Mine, an inspection would not have disclosed anything wrong with the

MR. HODGINS: Speaking of that Stock and Bonds account which you use as bank books, it might still be insolvent, having paid out into a worthless mine, but the vouchers might be entirely correct; it might have actually spent money in that way? A. They might have done so; that would be mismanagement then. When you come to a question of valuing assets, you go into a different field, you come down to a question of opinion then.

Q. You think what would have put any one on the track, would have been the inaccuracy of the entry as compared with the voucher? A. No, taking the affairs of the Farmers Bank, the first thing that struck one in going in there was the large investments in stocks and bonds. One naturally wanted to know what they were. You started into the account and then you found that the amount was arrived at coming from various sources, indicating losses or profits written up from one thing and another, that showed you—

MR. COMMISSIONER: That that was a padded account? A. Yes.

Q. Then you naturally went into the other assets' account and you found them padded. When you go to the branches it was a different thing; go downstairs where they have their main office; there they had a lot of liability of customers; it became a question there of valuing the responsibility of those customers.

MR. HODGINS: Speaking of that stock and bonds account which you use as an illustration, they did not begin to use an account like that until later on in the history of the Bank, A. They did not, but they had a large amount expended in organization and padded in one or two accounts; that stock and bonds accounts did not come until 1908.

Q. It was opened as early as 1908? A. Yes.

MR. COMMISSIONER: I should have thought the fact that $120,000 out of this small capital had been expended in organization would have startled anybody at the beginning? A. Yes, but the books do not show $120,000; there are items written into it.

MR. HODGINS: Is not there always a great difficulty in disentangling those items; if any one went into the bank to inspect the organization fund and found it to be $60,000 or $70,000 when it really ought to have been $120,000, it would take some time to disentangle the other entries and show that they had been wrongly entered.

MR. COMMISSIONER: I am not an inspector, but I think I would have found it out if I had seen that account? A. It takes time to disentangle these things, certainly, it takes time, and you have to understand it, but, Mr. Hodgins, you get into a position like that and you find these things somehow or other; the appearance of the accounts is what takes your notice.

MR. HODGINS: On the question of dividends; you prepared a schedule showing the dividends paid page 64 (Exhibit 63); does that show total amount which was expended in dividends? A. Yes.

Q. Just give me the total amount spent in dividends? A. It is $52,780.

MR. COMMISSIONER: Page 64 shows the total? A. Yes, sir.

MR. HODGINS: $52,780, is that all they paid out in dividends? A. Yes.

Q. It was a 2% half yearly dividend? A. They paid altogether 10%.

Q. In five payments spreading over three years? A. Yes, spreading over 2½ years.

Q. Were those dividends earned? A. No, they were not.

MR. COMMISSIONER: Upon what was the declaration of the dividend based? A. They wrote up profits and charged them to Keeley Mine and other accounts.

Q. Was a statement furnished to the directors at the meeting at which the dividend was declared? A. I cannot tell that except by reference to the minute book, two annual statements were furnished copies of which I have.

Q. They were half yearly dividends; I suppose those would be provisional, the books would not be balanced? A. The books will balance, yes, a half yearly statement of the books could be taken off very easily, but those accounts were not correct.

Q. Was the stock padding applied to that? A. Yes, writing up of assets and writing up of Keeley Mine.

Q. Just as we have heard before? A. Yes.

Q. MR HODGINS: They appear to have made no profits at all? A. No, they made steady loss.

Q. And those dividends they paid would be about 10% out of capital stock? A. Yes.

Q. Bank premises account appears on pages 55, 56 and 57, that takes in what the branches, as I understand, took to rent and furnish and in some cases to buy? A. Yes.

Q. The totals are shown on page 67? A. Yes.

Q. And you have got a loss? A. I make a loss of $110,825.

Q. Why do you call that a loss? A. I mean there was actually expended according to the books of the bank eliminating all padded items $148,116.90 and I calculate that those will not produce more than $37,291.

Q. A large part of the item $148,000 is made up of padded items? A. No, no parcel of that $148,000 is padded.

Q. That is actual expenditure? A. Yes.

Q. You think there is going to be a loss on that item of $110,000? A. I do.

Q. How do you account for such a tremendous loss? A. If you look at these expenditures in these various little branches, take the first one Arkona, $1,386, I only expect to recover out of that about $300 or $400; there is a lot of money gone for the fitting of the premises and with the closing of the bank it has all gone. These bank branches were located in small places where the other banks did not feel obliged to open branches, consequently I could not sell them at a price and it was a mere dead sale at the best price I could get. If you look at the Toronto Head Office you will see nearly $39,000 was expended there. The terms of the lease were not good: there was an increasing rent and I could not dispose of those premises, in fact the landlord has not been able to rent them yet at the price the Farmers Bank was paying for them: we lose all that money but about $2,500 or $3,000 we lose all the money that has been put in those premises. Then Belleville, they have according to their books $28,000 in that property.

Q. That they own? A. Yes. I think we have all told between $13,000 and $14,000 advertising it and holding it for a year nearly to deal with it.

Q. A large amount of that loss would be the result of stoppage of the bank and inability to sell it to any other bank? A. The bulk of the loss will be from stoppage of the bank and inability to sell those branches to other banks, because of the fact there were not deposits available at those points in sufficient quantities to warrant opening branches.

Q. That would be bad management? A. I would not say that.

Q. Bad judgment? A. It is mixed between bad judgment and the necessities of the times, if you want to call it. The Farmers Bank, a small bank, the way it was, would not be able to do very much if it were to open in other places in com-

petition with a very strong bank and it would have to go to these outside points and there there were not deposits sufficient to carry the branches.

Q. How did you find the operating losses appear from the beginning? A. According to my calculation the bank lost $242,602 in operating losses.

Q. Explain what those operating losses are? A. That means the absolute cash expenditure in excess of the earnings.

MR. COMMISSIONER: For carrying on the business? A. Yes, irrespective of bad debts or losses.

Q. Does that include the Toronto office and head office? A. Yes, all the offices.

Q. Then you have tabulated the individual losses of the various branches, the head office and so on? A. I have tabulated that year by year there, and that statement on page 59 is only completing a period which was not written up in the bank's books. The accounts were brought in from the various branches.

Q. From pages 53 to 59 you set out the details of the operating losses? A. I do.

Q. That meant for instance in 1907 that the cost was over $60,000 and the profits were only $15,000 there would be a loss there of $46,000.

MR. COMMISSIONER: Is it worth while going into all those details, they are all shown here and he has given us the loss?

MR. HODGINS: To what cause do you attribute that operating loss being so large each year? A. The bank was not meeting with success; it opened these branches and it was not getting the necessary deposits and it was not doing a profitable business.

Q. That would account for nearly half the whole capital? A. Absolutely; that is a risk that they ran in doing business, starting business.

MR. COMMISSIONER: What is the meaning of item here page 60, safes written up in value? A. They were written up; it means they cost so much and they were charged in the bank books at an additional amount. Their safes were bought at a price and then charged to their branches at $8,288 in excess of their cost price. In the same way stationery was charged to the branches, $11,200 but not written off in other words stationery cost them $30,000, when they charged it up to the branches, instead of reducing this $11,000, to $19,000 they left the stationery bill on the books of the bank at $30,000, but the $11,000 to the credit of profit and loss account.

Q. That is making money rapidly? A. It is all in the same way; they made these losses.

MR. HODGINS: What is page 60 intended to show? A. It is a summary of the account. It shows the actual expenditures and it shows you the various items that were put to the credit and debit of this account, writing it off and getting rid of it.

Q. Which account? A. Profit and loss.

Q. That includes excess expenditures, in operating, commissions, dividends? A. Yes, that is the profit and loss account.

Q. That corresponds with your figures year by year at page 53? A. Yes.

Q. Three year periods? A. Yes; this is really an explanation of the books, it is dissecting that account and showing you what are really effective items and what are merely book items.

Q. The column called effective items are real items? A. Real actual expenditures.

Q. The others are what? A. Book items.

Q. Representing no real transaction? A. Representing the transposition of the charges from one account to the other but without actual effect in dollars and cents so far as the bank was concerned.

Q. The question that the Commissioner mentioned a moment ago about the safes, that is written up value, the excess value, that $2,288? A. Yes, it was written up.

Q. Not the total value? A. No, profit was taken of that.

Q. You, I think, have given here a list of the bad debts? A. No, I had not given you the list of bad debts, but I have the list there.

Q. You mentioned, at all events, some bad debts, page 69. What is the explanation of the Buckingham Graphite bonds; how did they come into the possession of the bank? A. The bank advanced to the Buckingham Graphite Company and took those bonds.

Q. An ordinary business transaction? A. Apparently so.

Q. Then the Ontario Leather Company bonds?

MR. COMMISSIONER: Perhaps you will find out who are behind the Buckingham Graphite Company? A. A man called W. H. P. Bromell and W. H. Hunter, and the bank held some stock in it.

MR. COMMISSIONER: Is that the solicitor? A. Yes, sir.

MR. HODGINS: How are the Buckingham Graphite bonds treated in the books of the bank? A. As an investment.

Q. Is there a loan to the Buckingham Graphite Company? A. I would rather not publicly discuss the account.

Q. The Ontario Leather Company bonds? A. I prefer not to deal with that; it is treated as an investment in the books of the bank.

MR. COMMISSIONER: Is there any reason why you should not say who was behind that? A. No, not a bit; the bank is behind it, that is all.

Q. The promoter of the company? A. No, the bank made a bad debt with the Davey Leather Company, and apparently to help itself out it re-organized a new company and took control of it, so that at the present time the bank is practically the only person behind that, nobody else responsible.

Q. The statement is there is a prospect of a loss of $100,000 on that? A. That is quite true.

Q. Who is this Davey? A. Phillip Davey.

Q. Is he in town? A. He was in town here, but I think he is up near Barrie now; he was a well-known man, character.

Q. How much was lent to that concern? A. $83,000.

Q. On what? A. On their own obligations secured by their business and undertakings.

Q. What would account for such a transaction as that? A. The explanation given to me is that when Mr. Travers was away in England the local manager of the bank advanced a very large amount of money to Davey or to the company and that the proceeds of it did not go into the business of the company entirely, but it was lost in other directions, and when Travers got back he found this very large loss and knew he was going to meet the loss, and he had to get Davey out of the business, and he turned it over into the Ontario Leather Company and took control of it.

Q. Who was the agent? A. I do not know the name.

MR. TRAVERS: Frame. A. That is correct what I said about that note?

MR. TRAVERS: Yes. A. Anyway, the bank was in for $83,000 and they were in $168,000 at the time of the failure.

MR. HODGINS: Look at page 69? A. I have a statement showing the Toronto outstandings as they are.

Q. You give a summary on page 69? A. That is my opinion.

Q. Of the list of outstanding—? A. Outstanding obligations.

Q. To the bank? A. On October 11th last; there is very little difference except to the extent of what collections I have made since.

Q. There is a very large amount outstanding? A. Yes, it is nearly all bad.

Q. Those represent, however, other obligations or securities of one kind and another that you found in the bank? A. Yes, absolutely; I have a detailed list.

MR. COMMISSIONER: Are these the ordinary accounts or do they include other transactions than ordinary banking? A. They are very largely ordinary banking transactions where the bank holds the obligations of different people which are worthless, who have gone bad. If I go over them with you, I would not care to do so in public, sir; but I can give you the details of any account you want.

MR. HODGINS: It is only to get a bird's eye view; they amount to about $800,000 and you are not likely to realize more than about a quarter.

MR. COMMISSIONER: He makes the probable loss $639,407? A. Yes, that is in Toronto alone.

Q. The business extending over the three years, was it a fairly extensive business? A. Yes, there is $800,284; there is $32,977 of that are items which we have already dealt with in connection with these defalcations and Continental stock transactions. Then there is that $55,000 in there of the Clark Manufacturing Company; that is about $88,000, which would leave $712,284 of ordinary obligations in the bank. As to them, my opinion is that they are worth about $182,000, leaving the loss in here I have it of $639,407. (On page 69 of Exhibit 63.)

Q. That would be money lost on what you call ordinary banking transactions.

MR. COMMISSIONER: Extraordinary.

A. Losses in the banking business.

MR. HODGINS: Subject to any comment one might have to make on the class of business— A. A great deal of it is due to absolute mismanagement, in my opinion, a very large amount of it; the balance is from other reasons.

MR. COMMISSIONER: Perhaps you could get from the witness, are there any accounts in that of fifty or sixty or seventy thousand dollars, or are they small amounts? A. (Produces statement, headed "Farmers Bank of Canada: Position of assets other than fixed assets.")

Q. This is the detail of that $800,000? A. Yes.

Q. They seem to have dealt in some pretty large transactions? A. Yes. (Witness goes over list with the Commissioner.)

MR. HODGINS: Perhaps it might be as well to say with regard to that list while you do not want to discuss these in public as it may affect your collections on them—you can give the Commissioner any information he may desire in making up his estimate as to the value of the assets? A. I made that list for this purpose and am willing to do anything but not to enter into a public discussion.

Q. I am sure nobody would want you to do anything which would interfere with your collection of the assets? A. That is the only idea.

Q. But as long as information can be given that is wanted by the Commissioner— A. I am willing to give any information that is required of me.

Q. There is something you said makes me think I should ask—I was under the impression we had got the outside amount of Mr. Wishart's liability when we discussed the Keeley Mine? A. No.

Q. Is there more than that? A. We have judgment against him for between $52,000 and $55,000; there are notes of his discounted by the bank over and above the Keeley transactions.

Q. And they do not appear to have had connection with the Keeley transaction, do they? A. There is no reference of connection in the books of the bank, it is straight advances.

Q. Look at page 51, will you tell us if that gives us the outstanding liabilities which have been proved by you? A. Those are the liabilities as on October 31st last; these liabilities are taken from time to time, set-offs and one thing and another, but that is the correct statement up to that date.

Q. The $12,438 special account of the bank is that circulation or just balances due to the date of the failure? A. No, balances due to the bank; that is not circulation.

Q. Current accounts would represent what, $147,000? A. Current deposits.

Q. In head office and branches? A. No, in branches.

Q. Savings account, $979,891? A. Those are savings accounts in various branches, deposits.

Q. Balance due on drafts issued, $17,558? A. Yes, those are the amounts of the drafts issued less the set-offs, against the same. You see customers who bought drafts and then would owe on a note they hold the draft and hold the note and set them off; that is the set-offs. Just as a matter of information for you the amount of set-offs against the cash assets of this bank have been well on to $60,000.

Q. What are? A. The set-offs.

Q. You make the total liability including those items I have gone over $1,159,353.28? A. Yes, of that date. Outside of that other deposit below there.

MR. COMMISSIONER: Why is that omitted? A. That is taken in specially at the end.

MR. HODGINS: The total amount due to the Ontario Government, you have it here, $26,533.16, does that include interest? A. Yes.

Q. That is a preferential claim, is it not? A. After the payment of circulation.

Q. When was that deposited? A. The first deposit was in June, 1907, when $10,000 was deposited; and then in May, 1908, $25,000 was deposited and later on in the year the original $10,000 was drawn out.

Q. Was the last $25,000 in one deposit or in two? A. No, in a number of deposits extending over the period of a couple of weeks, I think, when two deposit receipts were issued in satisfaction, one at $10,000 and the other at $15,000.

MR. COMMISSIONER: And the balance is accrued interest? A. Yes.

MR. HODGINS: That would be the $25,000? A. Yes.

Q. You have it "Ontario Government," is that the form which the account took? A. No, there is a deposit receipt issued to the Treasurer of the Province of Ontario.

MR. COMMISSIONER: Have you the date of that? A. The account is here, if you would like to see it.

MR. HODGINS: Yes, I would like to get the exact date; they would come in next to circulation if you ever get enough to pay that? A. Yes.

MR. COMMISSIONER: The expenses have to come out? A. They come ahead of the circulation. (Witness shows to the Commissioner the account of the Ontario Government in the bank ledger).

Q. According to this down to the 14th June—? A. The Treasurer deposited $12,019.

Q. On the 14th June he got a deposit receipt of $10,000, leaving a balance to the credit of the account of $2,019.56.

Q. There were deposits of varying amounts down to— A. May, 1908.

Q. What is this $15,000? A. That is deposit.

Q. Then it is until the 13th May, when a deposit receipt issued for $15,000? A. Yes.

Q. How did that leave the account? A. That left a balance of $826.63.

Q. And then? A. On the 19th May, they deposited further moneys and got a deposit receipt of $10,000 leaving a balance of $1,817. This deposit receipt here was apparently deposited on September 22nd, 1908.

Q. That is the first ten thousand? A. Yes, with interest.

MR. HODGINS: What date was it withdrawn? A. September 22nd, 1908, and then the amount was gradually checked out.

MR. COMMISSIONER: It was not withdrawn was it? A. No, it was put to the credit of a checking account.

Q. And checked out until—? A. It continues right through, and that is carried forward into that missing ledger. This is the general ledger of the bank and the next one is the one that disappeared in the other proceedings.

Q. How did it stand at the failure? A. There was nothing in the checking account at the failure.

MR. HODGINS: It appears in 1907, to have been deposits in various small amounts? A. Yes.

Q. Consolidated on the 14th June?

MR. COMMISSIONER: That is all down.

MR. HODGINS: Which of the two deposit receipts represent the present? A. Those two.

Q. The ones issued on the 13th May, and the 19th May, 1908? A. Yes.

Q. It appears to have been then as a sort of a current account? A. It was a checking account, outside of those—

Q. You, I think, spoke this morning of some special assets and collections, there is nothing in those that call for comment; you recovered some moneys which did not appear to be outstanding according to the books of the bank? A. I do not think there is anything calls for special comment on that.

Q. You recovered apparently $23,299 in that way? A. Yes.

Q. Are the assets shown at page 96 taken in at their face value, and are they still realizable? A. No. The first item I have sold at 95; the second and third items are still in hands to be realized. The fourth item I have never been able to find; the fifth item is there I suppose we realized about 60 or 70 per cent on that stock; it had gone down.

MR. COMMISSIONER: The Dominion Radiator Company's stock not worth par? A. The company is in very good standing but they have been putting out a lot of capital the last few years and they have been willing to sell it themselves at par and—

Q. How did the bank come to get that, was the company a customer of the bank? A. There was a man called Massenger who assigned to us about six years ago and he owed the Farmers Bank a good deal of money and they held this Radiator stock from him as security and took it over.

Q. Is that a loss that appears or was it written off before? A. No, it is taken in their books at about 125.

Q. I mean the account of Massenger? A. It is written off; yes; it is not in the accounts now.

Q. What does this Buckingham Graphite Company do? A. They had graphite property down east, near Buckingham, Quebec.

Q. Dead? A. I have got it under option at this time.

Q. It is not operating? A. No, there are some other properties operating near there and it comes down to more the working out of a process than the mere presence of mineral.

Q. The Lake Shore Country Club, $5,000, what is that? A. That is Lorne Park. The bank advanced the Lake Shore Country Club that owned property, owns the Club house there and a considerable amount of money was advanced them, I think $30,000 and it was afterwards sold under the first mortgage and I bought it in for the bank at I think $46,000 and I did so in anticipation of making a profit and getting back part of the bank's account which I expect to do.

Q. There will be a loss on that? A. There will be a substantial loss, there will be a loss of $20,000.

Q. Who is this E. R. Michie who figures for about $60,000? A. I do not know how to descibe him; he has been a promoter around here; at one time he was thought to be worth a good deal of money, but this arises out of a mining transaction and I have only been able to collect $5,000 or $6,000 on it.

Q. Are you anything of a horticulturist? A. I know something about it.

Q. It would look to me as if the insects were gathering around the weak plants to eat them up? A. I do not know how I will turn out on this. There is a mining transaction there and this money was advanced in connection with it, and we hold $5,000 collateral. The mining property was re sold, and the bank at the expense of $2,000 has now got one quarter interest in it and an option was given I think of $25,000 or $30,000 so if that turns out all right I will recover about ten or twelve thousand dollars from the account all told.

Q. What did he get this money for? A. To buy mining stock.

Q. On the security of his note? A. On the security of the mining stock and his note, and the mining company failed.

Q. When did that transaction take place? A. A year or year and a half before the failure of the bank.

Q. Was there any big profit to anybody in it? A. I understand they anticipated the making of a large profit.

Q. They were to get a share in the concern? A. Yes, the profits on that stock were to be divided. That Tevis item down below there is that Syracuse transaction.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., May 29th. 1912.

G. T. CLARKSON Examination continued.—

MR. HODGINS: There was a resolution you probably know about found upon the bank books passed during the absence of Mr. Travers, to which he took exception which resulted in some loans being made? A. You are referring to a resolution of the Executive Committee at which R. E. Menzie and Beattie Nesbitt were present, at which they passed credits to their own people?

Q. Yes? A. I understand that owing to Mr. Travers' objections taken to that, that those credits were not put into effect and that the resolutions were withdrawn.

Q. I thought they were effective and were acted upon till his return? A. He returned at once as I understand it and stopped the credit.

Q. I would like to get the date of it? A. It is in that folder.

Q. Yes, I have it. You think they did not actually go through and result in any loss to the bank? A. No, I won't state as a matter of fact they did not, but that is my belief.

MR. COMMISSIONER: Referring to this report, (Exhibit 63) on this sheet these letters are from the form of the return? A. Yes; on page 77 is the form of the Government return.

MR. HODGINS: I do not know that there is very much more that I want to ask you at the present moment, but I would like to ask you this whether you can say what the causes contributing to the failure of the bank were from your examination of the books and your knowledge of the transaction? A. The causes were these; the bank started with impaired capital from the beginning, and found itself unable to do business profitably owing to competition; then too many advances were made with firms or people having connection with the bank in which these persons or firms were likely to profit in case profits were made, that is to say they were to get advantages if profits were made; then I think too there was mismanagement of the bank. I do not attach that to any person, but I mean to say through general mismanagement loans were made which should have not been made, too many bad debts were incurred and moneys expended.

MR. COMMISSIONER: Under the most favorable circumstances having regard to the conditions when this bank started what do you think of the prospects of its success? A. The bank's capital was impaired then to the extent of $70,000 or $80,000; but that should not have been sufficient to have caused the failure of the bank in view of the large amount of money, $530,000 or $540,000 which went into it. If it had gone along certain lines, if it had been managed conservatively, no attempt been made to pay dividend, no attempt made to splurge out too quickly—they did try to go ahead too quick with branches and they lost on them; they loaned their money out in unsatisfactory directions, and these investments were to friends of the bank who were interested, which under ordinary circumstances I do not think any banker would have done.

Q. I judge from what you have already said that you thought it was a mistake to open any of these branches, none of them were profitable? A. It turned out in fact that none of them were profitable. It is all right to say that now, but whether anybody could have foreseen at that time they would have been so unprofitable, it is a different matter.

Q. Would it have been possible to make success of a bank that had no outside agencies with a small capital of this kind; the deposits came, I should judge from something you said, mainly from the outside? A. The deposits came almost entirely from the outside, they were too little from any branch to carry that branch.

Q. With only meagre deposits in the Toronto branch could there be anything but disaster come? A. If the bank had started off with a $500,000 capital and had been content to just gradually work its way under minimum expenses, I do not see any reason why it should not gradually—

Q. What was roughly the annual expenditures at the start? A. They were under heavy expense as to rental—

Q. What would you say in round figures? A. I cannot give you an estimate as to that; what I mean to say is I do not see any reason why the bank should not have succeeded under ordinary conditions with this capital of $500,000; but as matters turned out as was proved, its branches were not a success, it had not the confidence of the public, it did not get the necessary deposits; if it had had that confidence I cannot say whether it would have got the necessary deposits from these branches or not. The fact remains it did not, and it lost; but I do not see any reason why it should not have succeeded if it had gone along quietly and more conservatively.

Q. Taking the list of stockholders as you found it and eliminating those you have eliminated, what would you say as to the list, was it a good list, well distributed? A. The stock was certainly distributed, and it was distributed largely amongst farming communities, but that may have been a certain amount of benefit to it in the locality where these stockholders resided, at least one would think so, but I understand it did not have the effect that the bank people thought it would, that it did not get the confidence of the stockholders.

Q. Ordinarily would such a stock list be considered the best kind of stock list to have distributed in comparatively small holdings amongst the farming community? A. Yes, certainly.

Q. Apparently for some reason or other people were tempted to go into reckless speculative transactions? A. The bank started off with its losses and then when it struck the Keeley Mine and as I size it up, Mr. Travers got in for $50,000, and once in he never got out; it went from bad to worse.

Q. These other speculations? A . They followed along the same strain.

Q. I suppose they were straws that a drowning man grasped at? A. Yes, that is the way I size it up.

MR. HODGINS: There is another point that I thought may as well be mentioned apart altogether from that Keeley Mine or the speculative losses; there seems to be an extremely large loss in the ordinary operation of the bank according to you, nearly half the capital seemed to have gone in paying for running the bank and its

branches? A. The bank had 27 branches and there was not one branch in which it had enough deposits to carry its expenses out, and that arose from lack of confidence as I understand it.

Q. If you take that item operating losses about $240,000 the defalcations and withdrawals at $149,000 you have nearly $400,000 alone? A. That is true.

Q. And dividends $50,000? A. Yes.

Q. $450,000 out of a total capital such as you mention? A. Yes.

Q. So that while the Keeley Mine undoubtedly accounts for an equal amount, that is $442,000 the ordinary operations of the bank seem to have run into about as much if you include in that the money that was taken by the trusted officials? A. Of course all the money that went into the Keeley Mine, it had an effect on the bank, because it did not have the money to loan and not having the money to loan and not looking for loans (as I understand the bank was looking for deposits, not for loans) to that extent it would affect their business. If they only wanted the deposits and would not lend you can see how the local people would look at it; it had an effect on it.

Q. Can you tell at all speaking generally, from the present outlook, if you collect any such assets as you think you can realize upon and collect on the double liability, whether you will be able to pay more than the circulation? A. Not unless the improbable happens—I will not be able to pay more than the circulation unless the improbable happens.

Q. Is it probable you will be able to pay even the circulation? A. If my estimate on double liability turns out to be at all in reason I shall do so; if I am mistaken as to that then I will not pay circulation.

Q. The most optimistic outlook is everything is lost excepting the circulation? A. Yes, unless the Keeley Mine turns out.

Q. Is there anything else except the Keeley Mine that there might be any hope in? A. Not from a common sense standpoint, no.

Q. We do not want a Farmers Bank estimate? A. Not from what I would call a sane estimate, no.

MR. HODGINS: Before the report is made will you make up to that date, just as nearly as you can, the assets and liabilities so that the Commissioner can have that up to the very latest date? A. Yes; this statement on page 111 amending that to merely show the collections since that date, which is little or nothing, gives you as the statement—

Q. I wish you would do that? A. I will do that.

Q. I will notify you when it is wanted so that we may get it as closely as possible to the date of the report? A. Very well.

MR. COMMISSIONER: If there is any hope in this Keeley Mine at all, why would it not pay the depositors to organize a company and take it over? A. If they want to speculate in a mining property as far as the bank is concerned, I have not any possible objection, but I would not advise them one way or the other about the matter.

Q. It would be open to them? A. Yes.

Q. You do not need that to redeem the circulation? A. No, I think I can redeem the circulation without that, and then if they felt advised on their own account, independent advice, to go in and work that mining property, unless I am able to deal on a better basis prior to that time, why certainly; but I do not feel advised to give any advice to these shareholders or depositors about putting their money into that thing.

Q. There is not very much security to the public for the redemption of the circulation outside of the liability of the bank itself? A. There is the fund in Ottawa.

Q. How much is that? A. I do not know what it is; it is 5% of the circulation outstanding.

Q. All the banks? A. Yes.

Q. That comes back as a claim against the bank before the ordinary creditors? A. Yes.

Q. With interest at 5%? A. Yes.

Q. Although you say in this case it has been reduced? A. Yes, that is to say if the assets of the bank are insufficient to pay this circulation the redemption fund at Ottawa will take care of it; whatever that redemption fund has to put up it is a prior lien before ordinary depositors.

Q. The circulation will all be redeemed? A. Yes.

Q. There is no doubt about that? A. There is absolutely no doubt about that.

MR. HODGINS: I suppose you would want to get consent to part with any of the assets before it had been redeemed out of the assets, taking that suggestion as to the Keeley Mine? A. I do not think there would be any difficulty about that; I think the holders of circulation would only be too glad to do anything reasonable, but I am negotiating with two or three people now on a bond and lease proposition which would give the depositors pretty nearly the same result if the property turns out to be good.

Q. You have done nothing, I suppose, with the property beyond taking care of it? A. I have had reports made on it and we have advertised it for sale under three or four propositions, bond and lease; but a little prior to the failure of the bank mining properties had gone out of favor, considering the favor they were in before; where before you could sell a property for $100,000, today you could not sell it for $5,000; that was the condition obtaining then.

Q. Mr. Wishart thinks he can sell it? A. I would be very glad if he would.

MR. COMMISSIONER: Is it in the Gowganda District? A. No, this is in Lorraine; it is south-west of Cobalt, about 20 or 25 miles, I think.

Q. Has it any name as a mining district? A. It is known as the South Lorraine Mining District.

W. R. TRAVERS, Recalled:—

WITNESS: First, I want to correct a statement that I made regarding the formation of the Keeley Mine. I stated that nothing was put into the mine by any person but the bank. When the option was first taken and required to be renewed there had to be $3,000 put up to renew it, of which Dr. Beattie Nesbitt put up his cheque for $1,500 and I put up mine for $1,500; I had overlooked that in giving my testimony.

MR. COMMISSIONER: Putting up a cheque, does that mean a form of paying it? A. No, paying it.

Q. Not out of Farmers Bank money? A. No; well I took it out of Farmers Bank money because it was charged up to my account. Dr. Beattie Nesbitt's cheque was on the Crown Bank.

MR. COMMISSIONER: The proportions you mention are not the same as in the agreement? A. I think, sir, if you look at the first issue of the stock.

Q. I was looking at the agreement that was made between the four of you, Wishart, Nesbitt, yourself and the bank; the bank was to get 25,000 shares, Wishart was to get 25,000 shares, and also another 40,000 shares; and you were to get 40,000 shares, and Nesbitt was to get 70,000 shares? A. I looked up the stock list here, and I find the first division of the stock was 40,000 at $5 to myself; $65,000 to Wishart; $25,000 to the bank; and the balance, $70,000, to Nesbitt, that was the first division.

Q. This agreement was in 1908? A. That first distribution of the stock, as I understand it, was after the joint stock company was formed.

MR. HODGINS: You appear to have held the shares in the Keeley-Jowsey-Wood Mine, Limited, practically equally, Wishart, Nesbitt, Travers and the bank? A. Not the first one; I do not think you will find the first one, but I think you will find the first one $40,000, $25,000, $65,000 and $70,000. When they came to the second or third payment you will find that Wishart and Dr. Nesbitt transferred an additional amount of stock to the bank; that is where the dispute first started; I was not quite clear on that the other day.

Q. On the 1st December, 1908, when the Keeley Mine, the re-organized company, bought out the Keeley-Jowsey-Wood Mine, the stock was made two millions; that is, 400,000 at $5 each; it went equally to you, Wishart, Nesbitt and the Farmers Bank? A. Quite so.

Q. Is there anything to be said about the Keeley Mine now? A. The only thing I can say about the Keeley Mine, I differ from Mr. Clarkson; I had given an option for one-half interest in that mine for $600,000 to one Erick in New York, who was the go-between for Lewison's, down there, very rich people.

Q. When was this given? A. 1910, I think, January or February, 1910, I am not quite sure about that date; but I went to New York and I had an interview with Lewison's manager about it, and while they did not wish to recognize Mr. Erick in the matter they were quite willing to deal. When the time of the option expired I refused to renew it, as I thought to myself if it was good enough for those Jews, as I thought in my own mind, it was good enough for me; that is the way the thing fell down.

MR. COMMISSIONER: You refused to renew what option? A. Renew the option given to Mr. Erick; and while Mr. Erick was not a man of means, still it does not always take a man of means to be the go-between to negotiate a deal of that sort.

MR. HODGINS: You had given these people an option which they did not take up? A. They did not take it for the simple reason that they asked to have it renewed and I would not renew it.

Q. And then they never negotiated with you afterwards? A. I was in negotiation with them from that time on until the bank failed. When I got back from the Lindsay trial, where the judge scored us so severely, I had not a chance, we had a run; if it had not been for that, I would have been in New York on the following Monday morning. I was on the long-distance phone, which the records will show, on Sunday, trying to make an appointment with these people and to have them up in Toronto on that Monday, or been in New York myself and could not get away. I still think the Keeley Mine is good; it does not matter to me what anybody's opinion is of it; I was on the spot every month for over two years. I had the opinion of one of the best engineers and I consider that to-day it is as good as it was when I went into it and I thought it was worth a good deal of money then.

MR. COMMISSIONER: You started by saying that you differed from Mr. Clarkson; what do mean by that? A. Mr. Clarkson does not consider that the mine is worth anything; he must take into consideration that—

MR. HODGINS: I do not think Mr. Clarkson said that; he declined to put a value on it because he did not know; he said he would not advise, either way, the depositors when I made the suggestion? A. In sinking a shaft 140 feet and in the small drifting we did we took out, I think, nearly $20,000 of silver; it did not rain down, it is there in some place.

Q. Was that on the vein or pockets? A. Both on veins and in pockets; kidneys they call them in the mining term.

Q. Was that credited in the bank's books? A. I think you will find nearly $20,000 worth of silver was taken out of that mine; we did nothing, we were tied

up for a whole year through the mistake of the manager in the machinery. You can only get machinery into that country in the winter, and in 1909, when we brought in the machinery and had it all wrong, the parts did not suit, we were tied up till the following year till we could get in some new machinery, so that practically we did nothing for a year. That does not excuse all these other unfortunate affairs, but I was into it, and the question was how to get out of it; I am not excusing myself a bit; I am only trying to help you all I can.

MR. HODGINS: When Mr. Clarkson declines to advise one way or the other, it is because he does not think he has any right to advise or take any responsibility about it? A. I am not blaming him.

Q. You understand, Mr. Clarkson did not intend to say and did not say, as I understood him, that the mine was no good? A. I simply want to put myself on record, because somebody is going to make a fortune out of that mine some day, and you and I will live to see it, and I want to put myself on record; that is all. I believe that to be true. The next thing I noticed in the newspapers that Mr. Clarkson had stated I had removed my papers from the bank, my private papers, and therefore that was the reason I was dismissed.

MR. COMMISSIONER: I noticed what the papers said; that was an incomplete and inaccurate statement of Mr. Clarkson's evidence; he did not say what the report says. There was no suggestion, as I understood it, from Mr. Clarkson that anything improper was done in the removal of the private box.

MR. CLARKSON: No, I was given to understand that you had removed the Keeley papers and papers which you were said to be your private memoranda. I had given instructions that no papers were to go out of the bank, and I told them to tell you that; instead of that, they gave you the message that I had said you were not to come back again. That is D. Miller's mistake. Afterwards I said that box which was said to contain your private papers went to your son. A. Before you were appointed curator.

MR. CLARKSON: I did not understand that. A. I can prove that.

MR. CLARKSON: This is the statement that was made to me, and I communicated that to Inspector Duncan, and he told me he had gotten a box which did not contain the cheques and notes which you had spoken about.

WITNESS: The Crown officers treated me with every consideration, and I opened the doors for them in every way I could, and they got into every box of papers I could send to them; there was nothing kept back.

MR. HODGINS: We got this far; that you told us; there were some notes of Wishart's and Beattie Nesbitt's? A. Those were left in my desk.

Q. That we have never been able to find; I ask you where they were? A. I cannot account for those.

Q. I certainly gained the impression from you that they had been removed in that box and you did not know what had become of them? A. Then you are wrong, because I did not move those notes you speak of, they are in my desk.

Q. What notes are you speaking of? A. In the Keeley box there was an envelope and cheques and memorandum which showed my dealings with the Keeley Mine.

Q. I asked you specifically notes signed by Wishart and Dr. Beattie Nesbitt? A. I did not answer you correctly, not that I wished to answer you wrongly; because the notes in my mind of those two men were left in a drawer of my desk, and they were never touched by me and as I told you in your office you should find them.

Q. You say you did leave notes of these men in a drawer of the Farmers Bank? A. In the desk that I use as general manager.

Q. You know nothing about their removal? A. No.

Q. Tell me what notes they were? A. My recollection is that there was a $10,000 note there of Dr. Beattie Nesbitt's, and there were some notes of Wishart's; I could not tell you the amount, really.

Q. Any one else? A. That is all I can remember.

Q. Was it a $6,000 and $3,000 note? A. No, I do not remember a $6,000 note.

Q. What was the occasion of these notes being given and retained by you in the drawer? A. They were left there for me to use if I needed them.

Q. How long before the failure of the bank? A. I think they had been there for some time, probably a year.

Q. Were they cheques or notes? A. They were notes and bank cheques attached to them. That is my recollection of them.

MR. CLARKSON: I never saw those cheques, I never heard of them till Mr. Travers mentioned them. The only people who could have taken them were the Crown Officers who went through Mr. Travers' desk. A. The Crown Officers acted in every way that was proper and right and I helped them in every way I could.

MR. HODGINS: Were they given for value? A. No, they were left there blank for me to use if it was necessary to fill up a gap, if you want the truth in regard to the Keeley Mine transactions.

Q. Why did you not give that one back to Beattie Nesbitt after he sold out his interest in the Keeley Mine? A. Which is that?

Q. The one you had signed by him? A. I did not give anything back to him.

Q. Why did you not after he had sold his stock? A. I never thought of those notes in my drawer until after the question came up one day in Mr. Clarkson's office when we were going over the affairs of the bank. You asked Mr. Clarkson a question about cash on hand and cash paid up on capital account which I did not think was answered very well, because if cash is paid in on capital account, actually paid in on it, the payment out of that cash for premises and other matters does not reduce the amount that has been originally paid in on capital account in cash, if you understand my meaning; as I understood you to say in asking him the question you were confusing the cash on hand and cash paid up on capital account.

MR. HODGINS: That was in reference to what item? A. I have not the number of the page.

MR. COMMISSIONER: I do not suppose any one will dispute that proposition.

MR. CLARKSON: I thought I had made myself clear there, that $64,000. You asked me the amount paid in on capital account and I gave you that including that $64,000.

MR. HODGINS: Yes.

MR. CLARKSON: The cash on hand was excluding that? A. You spoke of $5,000 having been paid Beattie Nesbitt for that Clark Manufacturing account; that was only a reversal of the former entry of $5,000 that was paid to Beattie Nesbitt about the 4th December, 1908, when the re-organization of the company took place.

MR. HODGINS: How do you mean the reversal of the entry? A. When it was first paid it was charged directly to the Keeley Company, and afterwards I reversed that entry and took it out of Keeley Mine account and put it into Stocks and Bonds.

Q. What was the object of that? A. Because it was not properly charged up to the company; that was not a commission the Keeley Mine Company should pay; I took it out of Keeley Mine Company's books and put it into the bank books.

Q. Into the Keeley Mine stock and bonds? A. Yes, that were held by the bank.

Q. What did it represent? A. It represented a loss, practically.

Q. The $5,000 was not paid to him at the time? A. Yes, it was actually paid to him, but in Mr. Clarkson's evidence he says another $5,000 was paid.

Q. Is your evidence that there was nothing paid to Beattie Nesbitt when he gave up his interest in the Keeley Mine? A. Yes, there was nothing paid then.

Q. There is no doubt about that? A. No. You will find if you go up to the head office books of the bank you will find the $5,000 referred to. Then the $55,000 note I gave to reduce the organization expenses was for the purpose of not showing the bank's capital impairment; it would show it as a loan. I made inquiries as to some other banks which were organized and I found out something of that kind was done there, and I unfortunately fell into that error. Another thing on page 23 you show the stock purchased by me, that is Farmers Bank stock. The price of the stock was dropping very rapidly and it was affecting the deposits and I bought the stock and put in my own notes to pay for it.

Mr. Commissioner: Borrowing the money from the bank? A. Yes, and C. H. Smith who is carrying on a sort of brokerage business here or something of the sort came in and spoke to me and said he thought he could make some money out of the prices that were going, and if I would lend him some money and I lent him some money for the same purpose. I was satisfied for anybody to buy the stock at that time to keep it from going too far down. I suppose you do not want to hear anything more about circulation and profits. I had a memorandum to that effect. I think Mr. Clarkson is wrong there. You have to take each matter on its own basis. The Trust Company have a deposit with us apart from any deposit we may have with them, we are supposed when they put in $120,000 to loan that money out, and if we pay them 4% on it and we loan out at 6% then we have $2,400 of a profit in that. If they keep the average circulation of $25,000 out for us, that would be $1,250; there is $3,650. Supposing that we had a deposit with them free at 3% there is $3,600, one would offset the other, as far as that goes apart from any profit there might be in advertising. Then I do not agree with Mr. Clarkson, I do not suppose it makes very much difference about the branches paying. There were some branches which were paying. You have not made any calculation for the profit in circulation about those branches which did not pay, but there were some that did not pay, there is no doubt about that.

Mr. Commissioner: Something did not pay if the operating losses were so great? A. Quite so.

Q. I suppose there is no doubt about that, that Mr. Clarkson's figures are accurate? A. I am not disputing that; I am only saying in some points he is a little off.

Q. I noticed in the list of bad debts A. O. Boemer? A. Yes, sir.

Q. I should have thought you would not lend him any money? A. I had lent him that money with the object of getting back some money I lost through him.

Q. Is that the same man you had the suit with? A. Yes.

Q. I should have thought you would have been shy after that? A. I got my money out of him by making that loan; it unfortunately turned out badly.

Q. You got some of the money? A. Yes.

Q. You lent him more? A. I had Mr. Samuel Merner as the guarantor of that debt.

Q. He was not very strong? A. He turned out badly. He was at one time a very wealthy man and I thought he was at that time. I suppose you do not want any suggestions from me in regard to the revision of the Bank Act.

Q. That is not my function? A. My idea is that the bank circulation should be based upon reserve and that it should not be based upon paid up capital.

Q. You would curtail the circulation? A. No, the banks will guarantee the small bank now—take the Bank of Montreal, the Bank of Nova Scotia, the second best managed bank in the country, it has a reserve of twice the paid up capital; they should be able to circulate twice the amount of bills.

Mr. Commissioner: I misunderstood what you meant by reserve.

Mr. Hodgins: How do you account for the commissions amounting to $71,800 against 10% on the subscribed capital? A. The agreement I had with the

Permanent Board was 15%; the written agreement with me was produced in the Police Court and should be found.

Q. It never was charged up at that rate? A. 15% would be $75,000.

Q. It never was charged up at that rate? A. The minutes have been altered by somebody since they left my hands; anybody can see that if they put a magnifying glass upon it.

Q. What minutes? A. The minutes of the percentage; they were originally entered there at 15%.

MR. COMMISSIONER: The Farmers Bank minutes? A. Yes, they were originally entered at 15% and they are changed to 10.

Q. In the provisional minutes? A. No, sir; in the permanent minutes.

MR. COMMISSIONER: I do not understand how a ledger could get lost through these proceedings.

MR. HODGINS: I cannot, either.

MR. COMMISSIONER: Why do not some of these detectives get to work and search in all the offices where these books have been?

MR. HODGINS: I have written to Mr. Irwin and told him the direction has been made to have it produced and asked him to have a proper search made.

MR. COMMISSIONER: I would get some of the detectives to have this search made. I do not see why these detectives should not look for all these papers that are missing. They should be in some of the offices.

MR. HODGINS: I expect to have Detective Duncan here and get some information from him. A. (Turning up minute book of directors of the Farmers Bank, Exhibit 10, page 27) There is a written agreement that that ought to be 15%.

Q. Whose handwriting are these minutes in? A. Mr. Shaver's.

Q. The figures seem to be in his handwriting, too? A. I saw that after the bank failed in the Police Court or at some trial and my naked eye shows me there has been a change there. When I said it was 15% I was challenged.

Q. There must have been a written agreement, was there not? A. There was an agreement; yes, sir.

Q. "The following is a copy of the agreement," and then follows the agreement? A. That is the agreement with me as general manager.

Q. Fifteen per cent on stock subscriptions—"As per his contract with provisional directors, dated the 4th July, 1906"—we have that, and that is 10%? A. No, there was a second agreement, another one made.

Q. The motion you refer to is on page 27. It says: "On motion it was agreed that W. R. Travers should be allowed 10% on the stock subscriptions, as per his contract with the provisional board, dated the 4th July, 1906, and that he be engaged as general manager"? A. I say that should read 15%.

Q. This appears to refer to the July contract? A. Yes, but there was another contract, too; there is still another one.

Q. This is what you point to in the minutes: if this minute as altered formed the 4th July contract, there is nothing to complain about? A. The July contract was before these minutes were enacted.

Q. This meeting was passing a resolution to pay you, was it not? A. Yes, sir.

Q. At the rate of 10%? A. No, sir, 15%.

Q. Let me see that 4th July contract? A. Not that contract, that is 10%, but there is still another one.

Q. This says, "Contract with the provisional board"? A. That is not the contract that was written into that book.

Q. There are two contracts of the 4th July? A. I know, but there are three contracts of the 4th July.

Q. Why did you not say that when we were examining you before them? A. It just came back to me.

Q. I asked you particularly why there were two on the same day? A. Mr. Clarkson gave his evidence a little while ago about the 10%, and it then came back to my mind.

Q. These two are agreements with provisional directors (Exhibit 12)? A. Yes, there are two; there were three.

Q. None of the provisional directors have said so; you have not said so up to date? A. I have to beg your pardon; if you go back to my evidence in the Police Court you will find I did say so.

Q. What is the provision there as to percentage? A. This provision is 10%.

Q. What do you mean by having another one for 15%? A. Because it was changed.

Q. What was the operative amount, 10 or 15%? A. 15%.

Q. Who was it made with? A. With the same people.

Q. What did they get for changing it? A. They got nothing for changing it; they made this agreement with me first in the early part of the day and I made them make another one on the afternoon.

Q. There was the other one made in the afternoon attached to it? A. No, those were both made at the same time.

Q. When you were examined before you said that one was made earlier in the day and that the second one later on account of the change they wanted made? A. I hardly think I said that; I said these two were made about the same time.

Q. Whom do you suppose changed the minute? A. I could not tell you.

Q. Did you produce that 4th July resolution at the meeting when that 15% one was passed? A. Yes, I think if the agreement was shown to Mr. Shaver he would be able to swear he wrote those minutes up from that document.

Q. Dealing with the Laidlaw subscriptions, there was $2,380 paid to these various shareholders and that, apparently, left Mr. Laidlaw, as somebody put it, without a client and the suit was dropped? A. Yes.

Q. Did any one else get anything for withdrawing or letting the suit go? A. I do not know what you mean by that.

Q. Was there anything else paid over and above this $2,380 to anybody in connection with that? A. I have no recollection of anything being paid.

Q. There was a resolution passed by the executive committee—I have the letter here—do you remember the occasion of it—you wrote Dr. Nesbitt a letter on the 13th November, 1907, referring to the resolution of the executive committee, a copy of which has been furnished to me as follows; and then follows the resolution, that the Menzie Wall Paper Company be given a credit of $35,000; C. L. Nesbitt of $14,000; Dr. Nesbitt is permitted to issue a cheque for this amount, pending the turning in of Mrs. Nesbitt's note for the amount at four months, and the Hubbard Company getting an additional credit of $6,000; then you go on to say, "I call your attention to the fact that this resolution was passed by the votes of yourself and Mr. Menzie in contravention of the third by-law", which you quote—you remember that circumstance? A. I do.

Q. Was that passed while you were absent? A. It was.

Q. And had it been acted upon when you came back and remonstrated? A. I do not think it was; certainly not with regard to Menzie; I could not speak absolutely sure about the other, I do not think there was anything done.

Q. That was afterwards withdrawn by letter, was it not, or rescinded; how was it done? A. I had a meeting, if I remember, of the executive, and had the resolution rescinded by the same people that passed it.

Q. Did you get a letter from Dr. Beattie Nesbitt agreeing not to act upon it? A. I got a letter from both of them, both Menzie and Dr. Nesbitt.

Q. Agreeing not to act upon it? A. Yes, not to act upon it and regretting the circumstances.

Q. You cannot say that the bank lost anything through that? A. Not through that transaction, I don't think they did.

Q. The earliest deposit by the Provincial-Treasurer of Ontario was made in 1907? A. I believe it was, looking at the books the other day.

Q. They appear to have been made in comparatively small sums? A. Yes.

Q. And when when they reached a larger total a deposit receipt was issued? A. Yes.

Q. Who made the arrangements for that deposit; did you? A. No, my recollection is, and I would have to refer to the books to confirm it, not expecting this question, or I would have been prepared for it—was that Mr. Greenwood, of the World, arranged that.

Q. That is the earliest one? A. Yes, that is my recollection of it.

Q. What about the later one? A. The later ones were arranged through Dr. Nesbitt, some way, I don't know how.

Q. That is the one amounting to $25,000? A. Yes, in May, 1908.

Q. May and June, 1908? A. Yes.

Q. How did Greenwood, of the World, come to arrange the deposit? A. Greenwood and myself were old friends and he was hard up for wages occasionally and I used to help him with a small loan and he helped me in return, and the loan gradually crept up.

Q. What about Beattie Nesbitt? A. In what respect?

Q. As to the later deposits? A. At the time that Nesbitt desired to close the Keeley Mine proposition, I remember saying that I could not spare that amount of gold; he said, "I will get a deposit for you from the Government". He did so.

Q. It seems to have come in, not as a deposit of a large sum, but in small deposits? A. That was done, as I understood, at the time so that they would not have to withdraw it from any other bank.

Q. Who made the arrangements as to issuing deposit receipts? A. I think that is the usual custom of Mr. Matheson; it is an old form of banking that used to exist when I was a young man in the bank, that nearly everything was done in that way, and I think he has kept up the old system.

Q. In addition to Mr. Greenwood being hard up for wages and you obliging him now and again, was there any other money advanced to Mr. Greenwood or any one associated with him? A. The advances to the World gradually crept up from time to time till I think they reached about $16,000.

Q. When did they begin? A. They began soon after the bank started. I said a little while ago I think about the time that the first deposit with the Government was made.

Q. Why should you advance to the World? A. No reason why I should advance to them in the World.

Q. On what did you advance? A. I advanced on a note of the World endorsed by Mr. Maclean and I think Mrs. Maclean as well, I am not quite sure.

Q. Were they weekly advances? A. They crept up from time to time; they gradually crept up; I do not know whether they were weekly or how but they ran up $500 or $1,000 occasionally.

Q. Had you much money to spend? A. At that time, I had, yes.

Q. You kept lending to the World all along during the career of the bank didn't you? A. Yes, I certainly lent too much.

Q. And did you get any repayments? A. No, I believe that those loans were there when the bank failed.

Q. You advanced money and never got any re-payments? A. There was a re-organization of the World newspaper on hand in connection with some debts that

they owed to another bank through a third party, a Trust Company, a third party, which I expected ultimately to get my money out of.

Q. What is that? A. There was a re-organization of the World to consolidate the debt of another bank as well as mine; this re-organization was being carried through by a Trust Company and through that I expected ultimately to get my money.

Q. However you did not? A. The bank failure came too soon.

Q. Under what circumstances did you commence to advance to the World? A. Under the circumstances of wishing to please Mr. Greenwood.

Q. Then when you commenced to advance on the notes of the World Printing Company what occasion was that? A. The same reason.

Q. You would not be obliging Mr. Greenwood then? A. Mr. Greenwood nearly always approached me for assistance, stating that he was behind to pay his men their wages and was in a hole so to speak and I usually tried to help him out.

Q. Did you see any one else in connection with the loan? A. Occasionally Mr. MacLean came in with Mr. Greenwood.

Q. You never made any bones about advancing money I suppose? A. I cannot say that I advanced it by free will, I rather objected sometimes.

Q. How did they overcome your objection? A. I changed my mind after talking to them.

Q. What had they said to you causing you to change your mind? A. I cannot remember just now exactly just what did happen. I was very friendly with Mr. Greenwood; I did not know much of Mr. Maclean up to that time.

Q. Was any arrangement made that you would advance them a certain amount from time to time? A. No arrangement made for advancing them anything, just what I saw fit to do at the time they asked for it.

Q. Was the condition of the bank discussed at that time or mentioned? A. No, I cannot say that it was mentioned.

Q. Will you say it was not? A. I cannot say it was not, no.

Q. Was any money advanced to the World or any one connected with it other than you have described on these notes? A. If there were any advances made they would be there on record.

Q. Was it all made on note? A. Yes, all on note.

Q. In connection with the assets which the bank may possibly realize something upon I asked you about the Welsh Mine the other day, I do not think you told me very much about that; was there any advance directly to the Welsh Mine? A. Not to the Welsh Mine no.

Q. Was there an advance to you on account of the Welsh Mine? A. The advance on the Welsh Mine was first made to Mr. Wishart, $5,000, if I remember right; and the second advance was made to his friend and bosom companion Mr. John Costigan, and then they were unable to meet the third payment on their option and so fell down on it and I picked up the option then so as not to lose the $10,000 originally paid and carried it on till Wishart came back again and took it off my hands, running the advances up to something like $35,000.

Q. Did he pay back the advances? A. No, sir.

Q. How did he take it off your hands? A. He had a purchaser for it, as he showed me in New York, at a considerable profit—I have forgotten what it was, —and he agreed to assume by giving his notes all the advances that were made up to that date if I would turn the option over to him so that he might sell it in New York which was done.

Q. This left sixty thousand odd dollars he owed? A. That leaves fifty thousand dollars.

Q. You took his unsecured note? A. Yes.

Q. And let him have the property? A. Well, I presumed we had a string on the property.

Q. Did you find you had not? A. Yes, afterwards.

Q. How did you find that out? A. I found that by his transferring the property over to Mr. Whitney, I think.

Q. I suppose you had given it to him—A. I gave it to him on a verbal understanding that was witnessed; he stated he did not wish to enter into any writings about the matter as it would affect the disposal of the property and then after he got the transfer he immediately, if I might use the term, I was going to say hocus pocused it.

Q. At all events he forgot the understanding? A. He forgot everything after he had it in his hands.

Q. Who held the Welsh Mine after that as far as you know? A. I could not tell you at the time that the failure came along. Mr. Bain of Bicknel & Bain was acting for me, and I understood he had it tied up; we certainly entered an injunction against that proceeding.

Q. You claim you were entitled to have a lien on the proceeds of the mine for that $50,000? A. I claim the bank had a right to one-half the proceeds that were made out of it.

Q. Was that the situation at the failure? A. Yes, I understand it.

Q. What about the Valveless Inner Tube Company; there is some interest in that which Mr. Clarkson says is in litigation? A. I had an interest in that of $250,000 which I turned over to the bank, and of which I was at one time offered $50,000 for, and I believe Wishart has or is endeavouring to cut the interest from under their feet.

Q. Do you know in connection with the McCallum and Tamlin matter who McIntyre is? A. The facts of the McCallum matter are these: McCallum was suddenly found a defaulter of $28,000 and he was arrested and prosecuted and had a term of imprisonment. He pleaded guilty to $17,000, it was on that that he was sentenced. The balance of the loss was not shown up at the time for the purpose of keeping it out of the newspapers. We recovered from the Guarantee Company a certain sum, I do not remember whether it was five or ten thousand dollars and the balance we charged up against the stock of the Keeley Mine that we had on hand. Tamlin was the cause of that young man's downfall. Up to that time I thought he was a very worthy young man and a splendid bank hand, and this Tamlin as far as I could make out, got him to cash some cheques which were worthless and finally led him into some speculation that ended in McCallum being a defaulter to the extent of $28,000 and Tamlin's worthless cheques in the bank's hands of $12,000. I instructed our solicitor to take proceedings against Mr. Tamlin and he made a settlement with him without my knowledge or consent in which he took $1,000 cash I believe and a thousand dollar note of Tamlin's leaving about $10,000 if my memory is right worthless on our hands; and then that was taken up by a note of McIntyre, and I could not tell you who McIntyre is myself, I do not know him.

Q. There is no such a man? A. I do not know whether there is or is not.

Q. Just found the note some day in the bank? A. No, the note was put in McIntyre's name to remove it from the default list temporarily.

Q. Who put that McIntyre note there? A. I got that from Mr. Hunter, our solicitor.

Q. Did you inquire from him who McIntyre was or how he came to get it? A. I could not say whether I asked him who McIntyre was or was not, but my opinion was then and is my opinion that it was a clerk in his office.

Q. In connection with that settlement of Dr. Beattie Nesbitt's, what was the occasion of your taking over his stock in the Keeley Mine in the place of the obligation which I understood you had of the Clark Company and the Hubbard Company and his wife? A. I heard that the Crown Bank, to whom Dr. Beattie Nesbitt was indebted a large amount was about to take proceedings against him and seize every property that they could possibly get and I saw no other way of getting the money out of Nesbitt but by exchanging what we had with him to prevent any trouble in the Keeley stock being tied up in case I made a sale of the mine.

Q. Did you think it was a good move? A. I thought it was the best thing I could do at the time. If action had been taken against Nesbitt and an injunction filed with the bank to prevent my handling his stock in case I made a deal with those New York men, I would have been in a difficult position to carry it out.

Q. You were more anxious to get hold of his stock then than to see whether you could realize out of the original securities? A. The securities we had, with one exception of the mortgage on the Ross property, was not of any great value.

Q. You had the obligation of the Hubbard Manufacturing Company? A. Yes.

Q. And the Clark Company? A. They were practically insolvent.

Q. And Mrs. Nesbitt? A. Mrs. Nesbitt had nothing that I could find out but a home which was heavily mortgaged.

Q. At all events they disappeared as bank securities and you got the Keeley Mine stock? A. Yes.

MR. COMMISSIONER: What do you mean by you, you or the bank? A. The bank.

MR. HODGINS: Do you know Frederick Crompton? A. Yes.

Q. He was the president of the Crompton Corset Company? A. I believe.

Q. A brother-in-law of Beattie Nesbitt? A. Yes, I believe so.

Q. You had two transactions with him, had you not, the bank? A. I had two or three transactions.

Q. What was the earliest transaction you had with him? A. The first transaction I had with him he deposited $150,000, or agreed to do so and he did do so, and for that he was to have a bonus of $100,000 of the Keeley Mine stock, which was transferred to him, by, I do not remember the proportions, but I think that Dr. Nesbitt gave up $50,000 of his and I gave up $50,000 of that which was held in my name personally, but I am not quite sure.

Q. Look at that agreement, that will probably give the date; is that the first transaction; look at the signatures first? A. Yes, offhand I would say that is the agreement. Am I to read this?

Q. If you will just run over it with me; he was to deposit $50,000 and get a deposit receipt for that, and then $25,000 later on in the month and $75,000 in April. This was all in 1909. Then he was to get deposit receipts bearing interest at the rate of 3% upon those? A. Yes.

Q. Was he to deposit real money? A. Yes, he did, actual money.

Q. That was in March, 1909? A. Yes.

Q. Were you in need of it? A. Yes.

Q. Was that just a method of getting circulation, too? A. No, the last payments of the Keeley Mine were coming due then and I had not any means of taking care of them.

Q. You were to give him $100,000 fully paid-up shares of $5 each in the Keeley Mine as collateral? A. Not as collateral security, as a bonus.

Q. It says, "To be held by the party of the second part as collateral and continuing security for the said deposits"? A. How many shares?

Q. One hundred thousand fully-paid shares? A. Will you go on a little farther?

Q. "It is agreed as a further consideration for the deposit and upon his living up to the agreement, he is entitled to receive from the Farmers Bank," yourself and Beattie Nesbitt for his own absolute use $100,000 worth, apparently, of shares—"$100,000 in the fully paid-up and non-assessable stock of Keeley Mines, Limited," of which the Farmers Bank contributed $50,000 worth, and you and Beattie Nesbitt $25,000 each? A. Yes, I remember that.

Q. So this was another arrangement helping you with Keeley Mine? A. Yes, that is what it was intended for; that was the object of it.

Q. Was that carried out? A. Yes.

Q. Money deposited and then afterwards, I suppose, withdrawn? A. Yes, it was withdrawn afterwards.

Q. But he got stock in the Keeley Mine? A. He did, so far as he could get it subject to the pool.

Q. He got it ultimately? A. It has never been outside of the pool; he got the stock, practically got it.

Q. Entitled to it now? A. No, he has parted with it now.

Q. Whom has he parted with it to? A. I bought it back from him.

Q. When? A. Some months before the bank's failure.

Q. How much did you give him for it? A. I gave him $10,000.

Q. Ten cents a share? A. Yes.

Q. In cash? A. Practically so.

Q. Was it the bank paid him or you? A. The bank paid that.

Q. That, the liquidator tells me, the $10,000 he got Mr. Crompton has since returned? A. I saw a cheque in the Police Court for it.

Q. There were two other transactions.

MR. COMMISSIONER: How long had the bank this $150,000 on deposit?

MR. HODGINS: How long did they keep it on deposit? A. I could not tell you exactly, but it was not for any great length of time.

Q. Four months from the issue of the receipts is the agreed time? A. He lived up to that agreement.

Q. What was the later transaction? A. I had some transactions with him with our circulation, but I cannot remember just at the moment whether it was the final payment of that $150,000 or whether it was a fresh acount. Mr. Clarkson might set me right.

MR. CLARKSON: I understand it was a fresh transaction? A. He wanted to withdraw $50,000 it was, and I was not prepared to pay it and I paid him off in our own circulation, which he agreed to hold, and so to speak, dribble in, send in a little at a time for redemption, $2,000 at a time.

Q. He would get circulation and make a deposit with you of good money, is that it? A. I am not quite sure whether he really made the deposit with me at that time or not at that time, or whether it was just the final payment on that.

Q. What would he get for the money he was to deposit with you from time to time by way of interest? A. He got 4% on it.

Q. Three per cent in accordance with the agreement? A. Yes, but we paid him 4%.

Q. That must have been a new transaction? A. I do not think there was a writing to that effect; I think that was just a verbal agreement.

Q. How much circulation did you deposit with him and how much did he put into the bank? A. I do not remember exactly, but I think fifty or sixty thousand dollars.

Q. And just before the bank failed, was any payment made to him? A. We made payments to him right up to a few days.

Q. Did he bring back the circulation and you redeem it? A. Yes.

Q. Just before the bank failed? A. Yes.

Q. Who gave him a tip? A. I could not say that; certainly I did not do it.

Q. In connection with Mr. Lindsay's evidence, you wanted to identify on a little plan where you were that day when he says he paid over that money to you? A. Yes, I did.

Q. Is that a fairly accurate plan of the Farmers Bank on Adelaide street? A. That end of it was not in existence at that time. (Crosses out portion not in existence.) Up to that point I would say yes, that seems to be an accurate plan of the place.

Q. You have heard Lindsay's evidence and MacCorquodale's evidence since you gave yours? A. Yes.

Q. What do you say? A. I say that I do not like to number these rooms if you are going to examine Mr. MacCorquodale again, but I should like to designate something here—

Q. I do not see why you should not number them? A. We will call this one, and this number two, and this number three and this number four. Number four would be my room and my desk; it would be in that position.

Q. Where you have indicated in pencil? A. Yes, that is the entrance to the bank.

Q. That is, into room one? A. Yes, the entrance from the upper hall.

Q. There is a hall running along there? A. There should be a stairway going downstairs here.

Q. Write "hall" opposite that door? A. (Witness writes "hall"). Now, then, Mr. MacCorquodale, as he came in with Mr. Lindsay that day, would require to pass through this gate and get behind the counter; then my secretary was sitting at a desk there in room 1; the door into my office was locked with a Yale lock; it could only be opened by my secretary; and I was pestered to death with people wanting advertisements and selling maps, etc., and I fixed that door so that you could not get through it. As I say, if he paid me the money in number two room, if he saw the money paid to me in number two room, then Mr. Fitzgibbon and Mr. Shaver must have been present.

Q. That is their room? A. Yes; if in number three room, then Mr. Fitzgibbon's stenographer must have been there. If in my room, then he must have followed Lindsay through the door; the door must have been opened by the stenographer; he must have gone in with him; otherwise he could not possibly see it.

Q. Having gone over the whole thing in your own mind, what do you say as to the correctness of Lindsay's and MacCorquodale's story as far as this conflicts with yourself? A. I say they are not correct—

EXHIBIT 67: Plan of Head office of Farmers Bank identified by Mr. Travers.

MR. COMMISSIONER: I thought the statement was he met the witness on the steps coming out? A. MacCorquodale said in his evidence he went in there and saw it paid in the room there.

MR. COMMISSIONER: Lindsay at page 552 says: "There was a gentleman with me walked down to the bank, saw the money, and I do not know but he saw me hand it to Mr. Travers in the office."

Then at page 558 he says, "MacCorquodale went into the room, stood at the desk and Travers came out of the inside office and he had his coat and hat on, was waiting for me and he came out and went downstairs, the three of us together. Travers was upstairs in the bank when Lindsay got there.

MR. HODGINS: MacCorquodale at page 793 said:

"Q. What room did you and Lindsay got into? A. Entered the front room."

"Q. Whose room is the front room? A. We entered one general room and these offices were off that room."

"Q. It was the general room you went into? A. Yes."

"Q. Sit down? A. I could not say whether we sat down or not; I had a habit of going in there often because I was wishing to get shares to sell if possible and naturally gravitated there on a good many occasions when there was no business of any kind for me at all."

Q. What room would that be he was describing? A. That would be the one with the counter across.

MR. COMMISSIONER: How about this Graphite Company, who got that up? Mr. Hunter got that up; Mr. Hunter was the solicitor for the bank and through Mr. Home Smith of the National Trust who had the late Mr. H. C. Hammond's affairs in his hands, part of which was this Graphite property, and Smith and

Hunter I believe were particular friends, it was suggested to Hunter that if this property was operated for a little while, it could be turned over to a syndicate and floated on the market at a good figure. That was the start of it. Hunter approached me and I lent him a little money to take it up, and it drifted on until it got into the absurd position it is in now.

MR. COMMISSIONER: Who was the debtor to the bank for the money? A. The joint stock company.

Q. Not Hunter? A. It was the Graphite Company as a private partnership concern at the first and then merged into a joint stock company, and the joint stock company assumed the liabilities and debts of the former partnership company.

Q. Had all the advances been made before the company was formed? A. Not all of them, no, sir.

Q. What interest had the bank in it beyond the loan? A. The bank had a portion of the stock, I do not remember just what it was offhand, but there was a certain big bonus to come out of it if the matter was floated.

Q. $30,000 is the value of the bonds, how much was loaned them? A. We loaned them thirty or thirty-five thousand dollars at first and when the company was re-organized we took the bonds in place of the debt to the bank; the property seemed to be very valuable down there, I went down and looked it all over, and they seemed to have a good process for making graphite, I thought it was good at that time; McCuaig & Company of Montreal were looking into it and they thought they would be able to float it and get everybody out of it with a good profit.

Q. What happened it? A. It happened that they were unable to make a flotation of the business up to the time of the failure of the bank; there were so many things thrown on the market at the time; Black Lake, and I don't know what all; they hung fire.

Q. What is your view as to the position of the bank if it had been wisely and conservatively managed from the start, what is your view as to what the outcome would have been? A. It would undoubtely have been a success.

Q. Why do you say so? A. Because there was plenty of room at that time for new banks, particularly for a smaller bank to drop into some of the places where there were no bank facilities at that time.

Q. Were not you starting on a scale of expenditure that was altogether out of proportion to the bank's capital, the business you were likely to do? A. It was rather out of proportion, but I think if you were able to carry your commission into the formation of some other banks you will find that nearly all started that way.

Q. To what do you attribute the disaster that happened? A. The tying up so much money in bad debts.

Q. What do you include as bad debts, do you include the Keeley Mine? A. Certainly, that was the last straw that broke the camel's back.

Q. Was it not one of the first straws that started trouble? A. No, we had these advances in the Toronto office, a good many that you were going over this morning, that you did not wish to speak about publicly—I knew what you were referring to, but a great many of those advances were made in the early history of the bank.

Q. Those that resulted in losses? A. Yes, in tying up the capital.

Q. I thought you said that when the $25,000 Provincial Government deposit was obtained it was not because you said you could not part with $25,000 of the bank money? A. As I had promised certain moneys around and I could not assume another liability of $25,000 at that time.

Q. Unless you got some other? A. Some other assistance.

Q. From what class of people did you get your deposits? A. Farmers.

Q. Mainly at the branches outside of Toronto? A. Yes, we had good deposits at some points. I differ with Mr. Clarkson on that ground, because I think we had $100,000 at some of these little places, if not more.

MR. CLARKSON: I think only one at the time of the failure? A. It is easy enough to figure out on the basis of $100,000 on deposit and on the average circulation there with small expenses—

MR. COMMISSIONER: What led you as managing the bank to lend these very large sums on these highly speculative properties as securities? A. What do you refer to?

Q. Take the Graphite Company, the Keeley Mine and all these things? A. The Graphite was a matter of later doings of mine; had that been in the early history of the bank I would not have taken it up, but as I had got behind and was trying to get some underwriting or some deal by which I could make up some of these losses I was induced to go into some of these things.

Q. You were getting as usually happens deeper down all the time? A. Yes, no question about that. If I could have turned the Keeley Mine over for the large sum of $600,000 I would not have been in the position I am to-day, I hoped I would have pulled it through.

Q. What class of paper did you discount in the early days? A. In the early days we discounted Farmers notes at the branches.

Q. What business did you do at the Toronto branch? A. At the Toronto branch we made some loans to Dr. Nesbitt and some others that were not first class at first; I thought in making the first loans to Nesbitt I was getting a first mortgage on the large furniture factory at Bracebridge, but I found I was mistaken, I was getting a second mortgage; that was being my own lawyer and a fool client; the Keeley Mine, I went into that knowing we were behind, knowing we had to make up some money somewhere.

Q. At the beginning? A. We were a year and a half in business at that time and we had this $125,000 of organization expenses and commissions and all that sort of thing behind; I was carrying that on my own note and as Mr. Clarkson explained, I wanted to get that wiped out of the road, and that induced me to go into the Keeley Mine in the first place.

Q. You bought out Dr. Beattie Nesbitt's interest, cancelled his indebtedness and his wife's by the payment of money taking over those stocks at a later date; what was the object of that? A. So that I would be able to sell it to these New York people.

Q. Did the proposition or the suggestion of that transaction come from you or Nesbitt? A. I think it came from me, I think at that time when there was that threatened suit; I had that in my mind at that time.

Q. Take this transaction with Wishart, what possible justification was there for lending him thirty or forty thousand dollars on that Welsh Mine? A. The Welsh Mine was very valuable, I could have turned it over at that time at a profit and had Wishart had a customer for $200,000 as against $145,000 that I had, I thought that I would let him have it.

Q. What made you so trusting with a man like that that had deceived you before, had acted badly, forced your hand and then you take his word and hand over all you had in this mine? A. Hoped against hope that he would land one of these propositions, and I would get out of it. I did not think he would do as he did in the Welsh Mine, completely absorbing the whole thing.

Q. Do you think it was a trick on his part, the pretence he was about to sell it? A. Yes.

Q. A trick to get it into his hands? A. That is my opinion now; he did the same thing in the Valveless Company too.

Q. What about the Big Vein Copper Company? A. That was the stock John Tevis borrowed money on in regard to that Syracuse deal, Mr. Clarkson gave you an outline of that.

Q. Do you agree in his view as to what your motive was in trying to make that transaction? A. Not altogether, nearly so, though; I will give you the transaction at Syracuse from my side. After this deal in New York, in which

the stock of the Piano Company was exchanged for the bank stock, the Knabe's got from the Federal Life an option of purchase on which they paid $100,000 cash.

Q. The Federal Life? A. Paid Mr. Dexter and Mr. Hazlitt and others who controlled these stocks, they paid them $100,000 in cash; that $100,000 they transferred from the bank in New York to the Farmers Bank in Toronto, and I paid it over to them; therefore, I knew that the matter was genuine. After that they asked me to meet them in New York, and I met Mr. White, who was the Lieutenant-Governor of the State of New York, with them. He stated that the People's Mutual were in a decline and they would probably go out of existence; that a little bit of money would purchase the company; that they could re-insure all the risks in the Federal Life when they got it, and liquidate this People's Mutual leaving a balance of five or six hundred thousand dollars. Mr. White assured me that he had the sanction of the Insurance Department at Albany; he was the Lieutenant-Governor of the State; I came back to Syracuse with Mr. White and spent an evening in his house and discussed the whole matter, and it looked to me like a good business. The proposition was that we should purchase $150,000 of Syracuse Waterworks bonds. I agreed to that, to give them money—

MR. COMMISSIONER: Who held the Syracuse bonds? A. The People's Mutual Life. The whole thing was a scheme, as you will see after I get through. I said, "I have not got $150,000; I cannot spare it". "If you will bring down $150,000 of your currency we will have the First National Bank of Syracuse hold that currency until such a time as you are willing to redeem it." I sent $150,000 by express to Mr. White at Albany on the promise over the phone from Mr. White that the bonds would be sent to me by mail to reach me the same time the currency would reach Albany. I was out of town for a day or so just at that time that money was sent. I found out on my return that the securities had not reached here and I wired, or had the Express Company wire, to return the money to me, which came back. After the money was returned to me, through some leaky vessel in the Express Company, it got around that I was sending Farmers Bank money out of the country. That was the reason I took it down the second time. In the meantime, I cannot think of the man's name for a moment, but he came from Syracuse to see me and said there was some mistake made about it; I do not know whether it was Tevis or not. W. G. Hunt—the lawyer in the city—he had been down in Syracuse negotiating this deal; he came up to me and explained to me there was just a slip made and it was all right, to send it down again; and I thought to myself, "I will not send the money through the Express Company, I will take it down". Then Mr. Fitzgibbon and myself we packed $150,000 in a satchel and we took it down to Albany; we kept it there in the hotel over night. The next day Mr. White called on me and said he had to go to the funeral of Mr. Reins, and he would be home to-night, and that I had better put the $150,000 in the vault of the First National Bank until he returned that evening; and Mr. Fitzgibbon and myself went over and we put the satchel inside of the safety vault and they locked the door; we took no receipt for it; it was just locked, just set inside the door. The president of the bank was there and said everything would be all right and to come back in the evening and we would complete the transaction. We went in the evening, Mr. White and the president of the First National Bank, I cannot remember his name—it does not matter—and Mr. Tevis and Mr. Hunt, the lawyer, and one or two others were there; they said they had difficulty in getting these securities; they wanted me to leave the money on deposit with the First National Bank on the promise of their sending them on afterwards, which I refused to do. Then, when we were about to leave, they suggested I should give them an informal deposit receipt, and we there and then entered into an agreement that this deposit receipt would not be effective until the 15th of January following—that was in December, 1909—when they were to supply these securities and subscribe for the same amount of stock in the Farmers Bank, one to

offset the other. I left that behind, brought the agreement with me—I think you have the agreement—and brought home the money. Immediately my back was turned they took this deposit receipt and put it into the till of the Mutual Life and took out the money and distributed it among themselves. The first I heard of the matter was that the Insurance Department was taking action to upset the transaction and they came over here and threatened suit against the bank unless we paid this deposit receipt. Mr. G. H. Watson acted for me and went into the whole details of it and said we were not liable and we refused to pay it, and they never brought any suit against us, but the Insurance Department ordered them to refund that money.

MR. HODGINS: The Insurance Department over there. A. The Insurance Department at Albany, and they got it all back down to Tevis's.

MR. COMMISSIONER: $15,000? A. Yes; then it was a question of our getting our deposit receipt back; and getting out of the affair by loaning Tevis $15,000.

Q. What do you think the plot was? A. To beat the Farmers Bank out of $150,000. If I had left that money there we would never have seen a dollar of it.

MR. HODGINS: Was any commission paid on that transaction to any one? Not to me.

Q. Any one connected with the bank? A. Yes, I believe there was.

Q. To whom? A. Mr. Fitzgibbon, I believe, got $1,000.

Q. What was that for? A. I could not tell you; he will have to explain that himself; I found it out afterwards.

Q. Paid by whom? A. It was paid by M. G. Hunt, the lawyer.

Q. What was the most profitable period in this bank? A. The most profitable period would be in 1907, I think, we were in the best position.

Q. That was just about a year after it started? A. Yes.

The Commission adjourned at 4 p.m. to 11 a.m. to-morrow.

Toronto, May 30th, 1912.

The Commission resumed at 11 a.m. at Osgoode Hall.

GEOFFREY T. CLARKSON, Examination Continued:—

MR. HODGINS: There are some matters you want to speak about? A. I want to mention one thing; there are some newspaper reports which seem to indicate that I stated that I regarded it as improbable that the Keeley Mine would turn out to be worth anything. I do not remember ever having made such a statement, as it was apart from my opinion. I have drafted a memorandum if I may read it, to make the matter clear. It is reported in some of the papers that I expressed a doubt as to the Keeley Mine turning out to have any realizable value whatsoever. I do not remember giving any such evidence, as it does not accord with my opinion; but, if any such suggestion could have been drawn from what I said, it was corrected by the Commissioner, when Mr. Travers was giving evidence. I did say that I was not prepared to make any statement as to what the property would ultimately produce, for the simple reason that neither I nor any other person can do so, and I further said that I do not desire to advise shareholders or depositors who have lost heavily by the failure of the bank, and can ill afford to risk more, as to whether they shall or shall not advance money to develop the property.

The Keeley Mine is well situated at South Lorraine, with silver-bearing properties on different sides of it. A considerable amount of development work was done on the property, and the records of the company indicate that approximately $20,000 ore was taken out during such development. At the present time, there are no ore bodies in sight, but the opinion is held by experienced engineers and miners that development ought to disclose further ore bodies. It is difficult at this time to sell any undeveloped silver property for a large sum of money, and the only way in which the creditors of the Farmers Bank can expect to recover any reasonable amount of the property is by dealing with it upon such terms as will permit a purchaser to develop it at his own expense, with the right to purchase it at a reasonable figure, if after development, the results obtained warrant him in doing so. In negotiations which are pending along these lines, I have insisted that the Farmers Bank shall have the right to retain an interest in the property, so that in event of it turning out to be as valuable as Mr. Travers believes, the creditors and shareholders of the Farmers Bank may participate in the benefits.

At present time, litigation is pending between myself and the Trusts & Guarantee Company, with regard to certain securities held by them. If they are successful in the suit, the disposition of the Keeley Mine will be under the sole control of the Court, and myself. On the other hand, if the estate is successful in the litigation, the Trusts & Guarantee Company will have to look to the Keeley Mine to recover on securities held against advances made. Under these conditions, if creditors and shareholders feel disposed to advance money for development, they will have to deal with this situation. The Trusts & Guarantee Company has rendered every assistance in dealing with the property as so to conserve as much as possible to creditors and shareholders, and allow a disposition of the property to the best advantage.

There are a couple of other matters I would like to mention. In discussing yesterday as to the causes of the failure of the Bank, I said nothing about the directors, but I regard the directorate which the Farmers Bank had as incapable of looking after the affairs of a Financial Institution.

Q. You mean from start to finish? A. I won't say everybody on the Board, but there were many on the Board from time to time that had no experience in financial matters and were not qualified to look into the affairs of a financial institution. I told them that at the time of the failure. Another thing I want to say is that the liquidation of the Bank will probably be long drawn out from the character of the assets, and the expense of liquidating will be very heavy proportionately.

Q. Why should it be particularly heavy? A. Because I do not think there are two accounts out of five in that Bank that we have not had to litigate over and deal with through the Solicitors. There are very very few securities taken by the Bank that were taken properly.

Q. Whose fault would that be? A. I think probably Mr. Travers was experienced enough to take proper securities, but I do not think his staff was, and they neglected to take securities which an ordinary Banker would have taken, and if taken would have saved the bank many thousands of dollars. Another thing that was said was this, that I had instructed the Solicitors to issue a writ against the Trusts & Guarantee Company for interest upon that circulation deposit. I do not think I said that. I never gave any instructions to issue a writ. I said I had referred the matter to the Solicitors, and we were taking it up with the Trusts & Guarantee Company. That is the condition.

MR. COMMISSIONER: What do you say about the Provisional Board, its capacity to inaugurate a successful Bank? A. Well, Sir.—

Q. What were their occupations? A. One was a promoter, a couple of them were promoters.

Q. Name them? A. Lown was a lawyer; Smith is a promoter,—and I think it is fair to say we are winding up another financial institution where exactly the same condition has obtained, the Monarch Bank where two-thirds of the money received went away in commissions; it did not get a certificate.

Q. Who was Mr. Lown? A. He was a Solicitor.

Q. Practicing where? A. I never heard of him before this bank matter; I understand Toronto.

Q. He was the President, was he not? A. Lown was the Chairman of the Board.

Q. Who were the others? A. There was Smith; he is a Bank promoter.

Q. Did you mean he was connected with the Monarch too? A. He was connected with the Monarch Bank.

Q. Gallagher? A. He was a merchant I think; I don't know anything about Gallagher, he is dead. Watson was a brewer, and Fraser, the Archæologist, and Dr. Ferguson was a physician. Dr. Ferguson has had more experience than any of them in financial matters.

MR. HODGINS: You would not expect the Board of Directors to have anything to do with managing a bank? A. Not managing, but directing the policy of the bank and supervising loans. That is all I wanted to say. I just want to correct those points.

Q. I see it stated in one of the morning papers that the "World" indebtedness was paid off, is that so? A. The "World" indebtedness was paid off yesterday.

Q. So that there is no loss in that account at all? A. No, I did not look for a loss.

Q. But that is now disposed of entirely? A. Yes.

W. R. TRAVERS, Examination continued:—

MR. HODGINS: There is something here to indicate an effort was made by Mr. Greenwood to get a deposit from Mr. Stevenson who I think was Chief Ranger of the Independent Order of Foresters? A. Yes, I think he tried to get a deposit for me at one time.

Q. Was that effort successful? A. Yes, they made a deposit with us, or rather the Union Trust Company who are allied with them made a deposit with us.

Q. He had some connection with that too, what year was that, 1907 or 1908? A. I could not speak positively on that, the books would have to show that.

Q. I asked you the reason for lending the "World" money; had they an account with your bank, an ordinary banking account, before you commenced to lend or discount for them? A. No, I don't think they had.

Q. How about your relations with the "World"; were you friendly with Mr. Greenwood and Mr. Maclean? A. I was friendly with Mr. Greenwood. I did not know Mr. Maclean.

Q. Had you known Mr. Greenwood long? A. I don't remember how long I had known him, it seems to me it was some time.

Q. Before you commenced to deal with him financially? A. Yes, I knew him before that.

Q. What was the character of the dealing, was it an ordinary account on which they overdrew? A. No, I discounted their note, the first I remember. I think all the transactions were on notes.

Q. What connection had the money you lent him with the money he got on deposit? A. Simply in order that my reserve fund was not depleted. He obtained deposits for me.

Q. Did he obtain any other deposits except the two that were mentioned, the Provincial Treasurer and the Union Trust? A. I cannot remember now any others; he was always doing what he could for me.

Q. Was there any improper pressure brought to bear upon you to lend him money? A. No, I cannot say there was.

Q. From beginning to end? A. No, I am quite sure there was no improper pressure brought to bear upon me.

Q. Was the account one of the large accounts in the bank? A. It ran up into large figures.

Q. What do you call large figures? A. I think it was about $16,000 when the failure came.

Q. Had you securities for that? A. We had the endorsement of Mr. Maclean and Mrs. Maclean, if I remember right.

Q. What do you say as to their sufficiency? A. I thought Mrs. Maclean was quite good for it at the time.

Q. Did you deal wholly with Mr. Greenwood? A. Yes, I should say I did, but adding to that that Mr. Maclean accompanied him very frequently.

Q. I find a copy of a letter addressed to the Provincial Treasurer here which I would like you to tell me if that was sent; it is only a copy? A. Yes, I remember writing that; I should say that letter was sent.

Q. What is the date of that letter? A. June 18th, 1908.

EXHIBIT 68: Copy of letter dated June 18th, 1908, to Hon. A. J. Matheson, Provincial Treasurer, Toronto.

Q. I find that the first deposit in your bank was on May 20th, 1907; just look at those two letters which are undated except that they are both in June; it does not say what year. I want to see if they are the same year (referring to letters subsequently filed as Exhibit 69)? A. I could not swear positively what year, but I am of the impression that it is a year later than that other letter, than June, 1908. If you have the file this was taken off it would probably show.

Q. Those letters are from Mr. Greenwood, and they speak of meeting Colonel Matheson on the 20th and 21st June, and they ask you for a copy of the sections of the Bank Act relating to Government deposits. You see we have not got the conclusion of that account; we have its beginning on May 20th, 1907, and the issue of the first deposit receipt on June 14th, 1907; does that throw any light on the date of those letters? A. No, I cannot connect that letter with the original deposits of the Provincial Treasurer.

Q. Did you get any answer to that letter to the Provincial Treasurer that you wrote? A. My recollection is I did, but no such letter I believe can be found on the files.

Q. I have seen no such letter; I found that copy, but I did not find any letter; what is your recollection about it? A. My recollection is that the Provincial Treasurer wrote me that he had made no promises to anybody about making deposits with the bank, or words to that effect.

Q. Did he, after that letter, make any deposits such as you requested? A. I could not say that positively whether he did or not.

Q. At June 18th, 1908, the $10,000 deposit receipt had been given on June 14th, 1907, and on May 13th, 1908, the deposit receipt for $15,000, and May 19th another deposit receipt for $10,000, were those the only three deposit receipts issued? A. Yes, and since then, according to the books, as far as we have them, down to the 31st December, 1908, it appears there were some deposits and withdrawals, leaving at the end of December, 1908, a credit balance of $2,165.60. The total claim of the Provincial Government at the date of the failure—

MR. COMMISSIONER: We got that yesterday.

MR. HODGINS: It was based upon those two last deposit receipts? A. I would say so, yes.

MR. COMMISSIONER: Is the ledger after this missing?

MR. HODGINS: Yes.

MR. COMMISSIONER: Where is the ledger before this?

MR. HODGINS: That is transferred from cash book.

MR. COMMISSIONER: According to this, the account began 20th May, 1907.

MR. HODGINS: Yes.

MR. COMMISSIONER: Is it not probable, looking at this ledger, that this is 1907 (the letters of 20th and 21st June, Exhibit 69)? A. Looking at the liability ledger of the Toronto Branch, it would appear that the first transaction with the World newspaper was in 1908, January, 1908, so that I could hardly connect the two.

MR. HODGINS: That is the first time you commenced to lend to the World? A. Yes, that would be the first.

MR. COMMISSIONER: That means that the account of deposits from the Provincial Government had been running for a year before that? A. It would appear that the bank had been in business a year before any advances were made.

Q. And a deposit receipt had issued? A. That the deposit receipt had been issued to the Provincial Treasurer a year before that.

MR. HODGINS: That is the first $10,000 receipt? A. That is the first transaction.

Q. The first transaction with the "World" Newspaper Company was January 10th, 1908; what is that, a discount? A. A loan of $200.00. There is another loan in January of $300.00.

Q. That is December; would that be December 31st, 1907? A. Possibly it may be.

Q. That "World Newspaper Company, F. W. Stair, $300.00," appears to be out of its place there? A. Yes.

Q. You carry it forward from December to some time in January? A. Yes, but there is some balance carried forward showing this was the starting of the account, unless this was an odd one that was outstanding that they picked up in the account in opening.

Q. It would not be the 31st December, 1908? A. No, it must be 1907.

Q. It appears to have gone on pretty regularly from that on, January, 1908. Is there any other book you can look through to verify what appears by this that that is the beginning of the account? A. No, that is the only book I could put my hand on now that would show that. If that had been carried forward it would appear in the balance. You will find it carried over here; there is the balance; that is carried down from here. There is the account carried forward, balance $2,351.00; as there is no balance brought forward there, I take for granted that is the commencing of the account.

Q. What is the meaning of this World Newspaper Company, page 384, sundry account? A. That indicates each separate account that went in there.

Q. What was that page you looked at? A. 361 and 362.

Q. That is the one you say is the beginning of it? A. Yes; I would have to modify that now by saying that these odd amounts were brought over.

Q. That is December 31st, 1907? A. Yes.

Q. Look at pages 383 and 384, compare those first; take those first items and look at those four items down to December 31st, and, reading from 361, the first is January 10th, World Newspaper, $200.00; the next is East & Company, January 13th, and the next the 21st, Davidson Morrison twice, and then December 31st, World Newspaper, F. W. Stair? A. Those are the same ones transferred.

Q. Then 367, that is forward—? A. From 362.

Q. That is still later in date then? A. Yes.

Q. Then from here it goes on in the regular order apparently? A. Yes.

WILLIAM H. GREENWOOD, Sworn, Examined by—

MR. HODGINS: What is your occupation? A. Journalist.

Q. Are you connected with the "World" newspaper? A. Not now.

Q. You were, were you? A. I left about 1st December, last year.

Q. What was your position in 1907 with the "World"? A. I was managing editor, or managing director, of the paper.

Q. When did you commence to deal with the Farmers Bank or Mr. Travers in connection with loans and discounts? A. I think it was early in 1907.

Q. The books Mr. Travers pointed to this morning do not indicate that? A. I think it was before a deposit was asked for from the Ontario Government for the Farmers Bank; we were discounting some papers through the Farmers Bank at that time.

Q. Would it have taken the form that it certainly did in the books that Mr. Travers pointed to, a pretty continuous, active, almost daily account? A. I rather think so, yes.

Q. 1907? A. I had in my mind that we had been doing business with the Farmers Bank before I went to the Ontario Government and solicited a deposit.

Q. I want to get your statement as to when you commenced to deal with the Farmers Bank?

MR. COMMISSIONER: Were there notes given, and if so, if they have a bill book, that would show it.

MR. HODGINS: What was the character of the account? A. It was a discount account, customers' notes; advertising account.

Q. What was your regular bank, who did you do business with? A. The Sterling Bank.

Q. During all this time did you continue to do business with the Sterling Bank as well as the Farmers? A. Yes.

Q. Did the Farmers get all the business or merely your odd business? A. Odd business.

Q. Until when? A. I think until the bank closed.

Q. Did you begin in that way discounting odd customers' notes? A. I think that was the way we began getting advertising accounts.

Q. And later on you got a direct loan? A. Yes.

Q. Do you remember in connection with the account any matter that had to do with Mr. Stair? A. I remember Mr. Stair gave us a note for his advertising account which we had discounted.

Q. Would that be the beginning of the account; do you remember that as the starting point? A. I cannot fix that as the starting point. I fancy the cashier of the World was getting some of those small notes discounted where he could get them discounted.

Q. That was entered up on December 31st, 1907; it is said to be transferred from Stair's account, perhaps that will throw some light on it. On what basis were the notes discounted originally? A. On a business basis.

Q. Any inducement held out to Travers to lend the money? A. I don't think there was.

Q. You would know? A. I would know.

Q. You did practically the entire business? A. Yes.

Q. Were any suggestions made he would get into trouble if he did not? A. No.

Q. Quite sure of that? A. Certain, sir.

Q. Did you interest yourself in getting deposits for the Farmers Bank? A. Yes.

Q. Why? A. We wanted to get a large loan from the Farmers Bank to assist us in our financing of the Toronto World and Mr. Travers said he had just

enough money to take care of his present customers and he could not add any other customers, and he had not any more money, and deposits were necessary to carry on the business; and I said I would see what I could do to get deposits for the bank. I looked up the monthly Government Statement regarding the Farmers Bank and I saw it was in a good, healthy condition; it was a young bank, it was true, but every month that I looked at the Government Statement it showed the bank was in good shape.

Q. Did you look at the Government Statement every month? A. I had to look at the Government Statement every month in my business as a newspaper man.

Q. Did he refuse to do any business with you till you got a deposit, or did you begin before you got a deposit to do business with them? A. I think we were doing business with him before we got the deposit; I am pretty sure we were.

Q. What was the first deposit you got; who from? A. The first deposit, I saw Colonel Matheson in regard to putting a deposit in the Farmers Bank.

Q. That was the first one? A. That is the only one I remember.

Q. You remember interesting yourself with Mr. Stevenson? A. Yes, I thought you were referring particularly to the Government.

Q. I am referring to any deposits you induced? A. Yes.

Q. Which was the first, the Ontario Government or Stevenson? A. The Ontario Government first.

Q. Can you at all identify the date of these two letters (Exhibit 69), because like every newspaper man, you are as economical of writing as you can be? A. This first one I cannot fix a date on it; it was during my negotiations with Colonel Matheson trying to get him to put a deposit with the Farmers Bank.

Q. Was it in connection with your earliest negotiations with him? A. I think so.

Q. Did you go to Colonel Matheson more than once to get deposits? A. I rather think so.

Q. Having got one did not satisfy you? A. That was not it, it required several times to get the one.

Q. Were your efforts confined merely to getting one deposit? A. Later I tried to get further deposits from the Ontario Government.

Q. With what success? A. I don't think I had any success.

Q. What was the amount of the deposit that you succeeded in persuading? A. $10,000.

Q. Do you remember when that was? A. I think that was in May, 1907.

Q. Those letters are written in June, clearly? A. It may have been in June then; May or June; I cannot fix a date about when the deposit did come.

Q. It is curious, because the first deposit receipt was issued on the 14th June? A. This (letter of 21st June) looks as if this was during my soliciting campaign with the Colonel to get the deposit placed. I was trying hard to get an argument before him why he might see his way clear to put a deposit in the Farmers Bank.

Q. What was the argument? A. The statement in the Bank Act regarding Government deposits; I think they had a special lien on the assets of the bank; that was one argument. My other argument was the monthly Government statement from Ottawa showing the bank was in good condition.

Q. Did you urge this on Colonel Matheson? A. Yes.

Q. Had you any knowledge of the state of the bank's affairs at that time other than what you had gathered from the monthly return? A. Absolutely none.

Q. Are those dates of June, whatever year they may be, correct on those letters? A. Yes.

Q. Because it is funny that in neither of those years was any deposit receipt issued after June—what is the date of those letters? A. June 20th and 21st.

Q. This may have been in connection with other efforts you made which you described as unsuccessful? A. With the Colonel?

Q. Yes? A. I think this was part of my first campaign as I remember.

Q. The first deposit receipt is dated June 14th, 1907, for $10,000; you think that was your first effort? A. I think so.

Q. The deposits commenced to reach the bank on the 20th May, 1907, and were cancelled in a deposit receipt on the 14th June, so that if those dates are right and the year is 1907, it would certainly be after that? A. It looks that way.

Q. Supposing those are the next year, 1908, the two deposit receipts were issued on May 13th and May 19th, respectively; so that if that is 1908 that was after those? A. Yes, June comes after May, certainly.

Q. Those are obvious facts; it is only with a view of ascertaining the true year? A. I wish I could remember that.

Q. You cannot throw any further light? A. No, I cannot.

Q. And you never got any more than $10,000 deposit from Colonel Matheson? A. I think that was all from the Colonel.

Q. Did you disclose to him at all that your object was to get a loan? A. I may have done that, because I was very frank; there was not any argument that I left unsaid, sir, in trying to get the deposit, because we needed the money on the World; we had good paper, our assets were alright, but it was hard for the Toronto World to borrow money.

Q. Did anyone else connected with the World see Colonel Matheson other than yourself in connection with that deposit? A. I think not; I think I was the only one that saw the Colonel.

MR. COMMISSIONER: It is manifest from the date of that letter, and from the dates of these deposits in the book that that letter could not have referred to the $10,000 deposit, don't you see that? A. Yes, it must be so, because the deposit was put in in May.

Q. What does that lead you to conclude? A. That I was possibly trying to get another loan, another deposit, rather.

Q. And did not succeed? A. Yes.

EXHIBIT 69: Two letters dated June 20th and June 21st, above referred to, from W. H. Greenwood to Mr. Travers.

MR. HODGINS: Perhaps you could ascertain the date when you first commenced to deal with the bank; who was the treasurer then? A. Mr. Remion, the present secretary-treasurer, would know.

HONORABLE A. J. MATHESON, Sworn, Examined by—

MR. HODGINS: You are Provincial Treasurer of Ontario? A. Yes.

Q. And you were Provincial Treasurer in 1907 and 1908? A. Yes.

Q. There is a deposit account which began with the Farmers Bank on the 20th May, 1907, which in June was transformed into a deposit receipt; how did that come to be made in the Farmers Bank? A. I am speaking entirely from recollection, but my recollection is that Mr. Greenwood is mistaken about asking me at that time; the first time he asked me was the next year, 1908, and my recollection is that Dr. Beattie Nesbitt met me in the corridor one day and complained against our discriminating against the Farmers Bank and asked me to make a deposit—we keep a current account and a special deposit account—on the 16th May, was it?

Q. May 20th it began, 1907? A. The 16th May, 1907, according to our books.

MR. COMMISSIONER: That may be so, because it is transferred from the cash book? A. And we went on depositing their own cheques and also miscellaneous cheques and cash, post office orders, express orders, and currency, until the 12th June a cheque was made out for $10,000 to be transferred to special deposit, and it was made on the 13th—I see from the evidence here that the deposit receipt was actually made on the 14th—and it was as a result of Dr. Nesbitt, who was then president of the bank, asking me. Then from that on we continued to deposit their own cheques in the Farmers Bank, cheques on the Farmers Bank in the Farmers Bank.

Q. The account appears to run on, nothing deposited between June and October, and January, 1908, there are some sums deposited? A. At the end of the financial year we always cash all deposit receipts in order to get the interest.

MR. COMMISSIONER: There is no deposit until the 21st April?

MR. HODGINS: Then in May, 1908, there were two other deposit receipts issued to you, May 13th and May 19th, for $15,000 and $10,000 respectively? A. Yes.

Q. How were those got? A. I have been trying to recollect about those; I have nothing to go by except my memory; I cannot remember them. I am certain Dr. Beattie Nesbitt did not ask me in 1908, not directly, not personally; that is my memory; he might have asked me through others.

Q. Did anything occur between you and Dr. Beattie Nesbitt other than you have told us in connection with the first account? A. Nothing that I remember; I only remember meeting him one day in the corridor and speaking to him.

Q. Had you any reason to believe the Farmers Bank was not in good condition? A. No, I studied their returns and I thought it was perfectly safe, otherwise I would not have made any deposit.

Q. Did you know anything about the Keeley Mine at that time? A. No, I never heard of the Keeley Mine until the bank failed. I knew Dr. Beattie Nesbitt was in some mining speculation up North, because I met him up there and was talking with him.

Q. Would this statement be correct or incorrect, speaking of certain correspondence which was put in this morning, "These facts gathered together would seem to indicate that the funds that enabled Dr. Beattie Nesbitt to go into the Keeley Mine speculation and bring the bank to its ruin were actually obtained from the Treasurer of Ontario through the influence of the managing director of the World or some other person or persons unknown"? A. I have been trying to recall about who spoke to me about that time; I cannot remember.

Q. You never heard about the Keeley Mine till after the failure? A. No, I never heard of the Keeley Mine till after the bank failed, except that I was told that Dr. Beattie Nesbitt was in some mining speculation up North. Advances were not made with any view of getting a loan made to Dr. Beattie Nesbitt.

Q. Had they any connection, this speculation and this deposit? A. Not that I know of.

Q. Would you just see whether you got that letter which has been put in, dated 18th June, 1908 (Exhibit 68)? A. I never got this letter and never answered it, and in this he asks for $10,000 further, and instead of giving him $10,000 further the next change in the deposit was to withdraw $10,000.

Q. That letter appears on the files of the bank, and was handed to me by the detectives? A. I am satisfied from my memory, I did not get it and I am satisfied from the nature of it if I had got it we would at once have withdrawn all deposits from the Farmers Bank.

Q. Was there any influence by some person, other than the managing director of the World, whose name was not mentioned? A. Several people spoke to

me about advances to the Farmers Bank; in fact, for all the banks with perhaps one or two exceptions, every bank in Toronto—we keep accounts in all the banks in Toronto, and with perhaps one or two exceptions the friends of every bank have asked for deposits in a legitimate way.

Q. Was there anything to differentiate this from those other applications? A. No; I heard a good deal of gossip about the standing of the Farmers Bank, but I was very much influenced by the "Canada Gazette" return, and if I had not thought it perfectly safe, they would not have had anything.

MR. COMMISSIONER: You said that when Dr. Nesbitt spoke to you he said you were discriminating against the Farmers Bank; perhaps you would elaborate that; what does that mean? A. That the other banks showed provincial deposits and they did not, and it hurt them with other people in getting deposits, and they paid us taxes, collected our cheques, paid our cheques at par; all these banks pay our cheques at par.

Q. They thought that was a discrimination against the bank? A. Yes.

MR. HODGINS: You say at the end of the financial year you always cash deposit receipts; when did the financial year end in 1907? A. That year I think it was the 31st December. It is the 31st October now, and has been for two or three years.

Q. Perhaps I should ask you further in regard to Mr. Greenwood's evidence; do you recall his interview with you? A. He bothered the life out of me, saw me a dozen times, and those letters were not written to me, they were written to the bank, but they are 1908, I believe, because I am satisfied that he had nothing to do with the first deposit made in May, 1908, and he did not get any further advance at that time.

Q. You heard his evidence as to what statement he made to you; how does your recollection accord with that? A. As far as I remember, it is so long ago, it is four of five years ago, I would not like to contradict it, except as to the one point, 1907; I think he is mistaken in that.

WILLIAM H. GREENWOOD, Recalled:—

MR. HODGINS: Q. You want to make a further statement, I think? A. It has been suggested in the Globe this morning that apparently Dr. Beattie Nesbitt and I were the two people who went up to the Ontario Government for certain deposits; I do not know anything about what Dr. Beattie Nesbitt did with the Ontario Government. I was only working for the Toronto World and I wanted to get a loan from the Farmers Bank in order to assist us in financing the Toronto World on legitimate security. I do not know a solitary thing of what Dr. Beattie Nesbitt may have done in regard to getting deposits.

MR. COMMISSIONER: Did Beattie Nesbitt go with you at any time? A. Never.

ALFRED GORDON TRAVERS, Sworn, Examined by:—

MR. HODGINS: Q. You are a son of Mr. W. R. Travers? A. Yes.

Q. And the reason I called you was in connection with a box which I wanted to trace up? A. Yes.

Q. That was said to have gone to your father's house at the failure of the bank; there is a box produced here which has been in the custody of the detectives,

so they tell me, almost ever since; will you just say if that box went up to your house? A. I think that is the box, sir.

Q. Did you ever open it? A. Yes, sir.

Q. Did you take anything out of it? A. To the best of my recollection, I only took one article out of it, which was a letter my father asked me to get for him.

Q. Was that letter to or from anybody whose name has been mentioned in the enquiry? A. I do not just remember whether it has been mentioned or not; I think the letter was given to Inspector Duncan.

Q. By you? A. Yes, he wanted it.

Q. Do you remember whom it was to? A. I think it was a letter to my father.

Q. From whom? A. From Mr. Warren.

Q. I think I have that letter; that was the only thing that was taken out? A. To the best of my recollection that was all I took out.

Q. What else was there in the box, any cheques? A. I am not sure whether there were cheques or not; I think there were some cheques.

Q. Were any of those moved? A. I do not know.

Q. By you? A. No, sir.

Q. The box arrived at your father's house, didn't it? A. Yes, sir.

Q. Before the detectives got it? A. Yes.

Q. And was there for how long? A. I think a couple of months.

Q. Who had the key of it? A. The keys were lost.

Q. Who was living in the house who would have access to the box if they could open it? A. I was.

Q. Any one else? A. The servants; that was all.

Q. You were living alone in the house? A. Yes.

Q. During the whole time? A. My brother was there for a few days, that was all; he was visiting here and he stayed with me a few days at the house.

Q. Where is your brother living? A. In Saskatoon now.

Q. Had any one else in the house access to the box, or did any one come in and take anything out of it to your knowledge? A. No, sir.

Q. Was Mrs. Travers living there? A. She was here for a few days when we moved, when we left the house.

Q. Where was the box kept? A. It was in the den.

Q. You said the keys were lost—when it got there or became lost afterwards? A. They were lost afterwards, I think, because, I am not quite clear on that, but I think Inspector Duncan was unable to open it and asked me where the keys were and I could not find them.

Q. Had the keys come up when the box came originally? A. I cannot say, sir.

Q. Where did the box come from? A. From my office.

Q. Where did it come from to your office? A. It was sent up to my office.

Q. From the bank or from Mr. Owens' office? A. I presume it came from the bank, I do not know.

Q. How long did it remain in your office? A. I think possibly a couple of days.

Q. We are anxious to find certain cheques and particularly cheques that are supposed to have disappeared; do you know anything about them? A. No, sir.

Q. You removed none of them from the box? A. No, sir.

MR. COMMISSIONER: How did you get the letter out of the box if you had not any key? A. I must have had the key at that time.

Q. Then the keys must have been there and must have been lost—how long after the box came there was it you picked the letter out? A. I cannot say

exactly, it may have been two or three weeks or a month; it was little time after I think.

Q. And after that the keys somehow got lost or mislaid? A. Yes.

Q. Was the box in such a way that anybody could have access to it before the keys were lost to it? A. I do not think so.

Q. Who carried the keys? A. I had the keys for some time.

Q. Until they were lost, you had them? A. I think I did.

MR. HODGINS: Q. Did the Inspector get keys made or were they found again? A. I am not quite sure, I think they broke the box open but I would not be sure.

W. R. TRAVERS, Examination continued:—

MR. HODGINS: Q. You remember MacCorquodale gave his evidence here in connection with the payment by Lindsay of the $5,000? A. Yes.

Q. I find a letter here of August 29th, 1906; I want to know if that letter to him was sent? A. I think so.

Q. You see that is dated August, 1906; did he act for the Bank after that or act for you in selling stock after that? A. He was in and out of the bank there all the time; he was connected with the provisional directors before I took hold of it at all.

Q. After this letter of yours in August, 1906, which tells him to keep out of the office, you would not have anything more to do with him—A. Yes, I remember this.

Q. Had he anything to do with the Bank or selling stock? A. Yes, I think he was in and out of there after that.

Q. Notwithstanding that you asked him to cease doing any further business for the Farmers Bank in August, 1906? A. Yes, I had not the say; the Provisional Board—yes, I had the say then—I think he did continue.

Q. Were the relations friendly? A. He was a great friend of Mr. Lown, and Mr. Lown was with me nearly all the time.

EXHIBIT 70: Letter from Mr. Travers to D. S. MacCorquodale, dated August 29th, 1906.

Q. There is a letter on the 19th October, 1906, which I confess I cannot understand. It is to the Manager of the Bank of Montreal, authorizing him to retain $20,000 out of the money when it comes back from the Government; was that letter ever sent? A. My recollection is that it was. Mr. Braithwaite was the Manager of the Bank of Montreal here, and he was also the Manager of the Bank of Montreal in Hamilton when I was there, and he was speculating in Bucket Shop and got behind and I helped him out of it and I thought he would help me out of it and that is the reason I asked him to lend me $20,000?

Q. He did not lend it to you? A. No, for some reason or other he backed down.

Q. Was that letter intended to enable his bank, if they lent you the money, to get it back out of the Fund? A. Yes, that is so.

Q. It never became effective? A. No, he backed out of it before the loan was made.

EXHIBIT 71: Letter dated 19th October, 1906, from Mr. Travers to the Manager of the Bank of Montreal, Toronto.

Q. Is this the letter you speak of as having been written to the Finance Department, and was it sent? (Letter dated January 12th, 1907). A. I would say yes. That appears to me to be the letter I wrote that I spoke of in my evidence before.

EXHIBIT 72: Letter, January 12th, 1907, from Mr. Travers to the Minister of Finance.

WITNESS: That document I spoke about yesterday as having been copied into these minutes, I have since spoken to Mr. Hartley Dewart and he said he had it in his hands in the Police Court.

MR. COMMISSIONER: That is the second agreement about commissions? A. The third, 15%.

Q. There was the first agreement and then a memorandum on the back of it, and then you say one providing for 15%, a third one? A. Yes. I notice Mr. Shaver is to give evidence; he really ought to see that in order to swear to these minutes.

Q. Does Mr. Dewart remember where he saw it? A. Yes, he thinks he can locate it.

Q. Can find it? A. Yes, he thinks so, and he said he would try.

MR. HODGINS: In dealing with Urquhart, Urquhart & MacGregor you wrote them on December 7th, 1906, in reference to their account and you said "You know, of course, as well as I can tell you, that we have been at very great expense, particularly so through the interference of William Laidlaw"; and Mr. Urquhart appears to have replied that the fact that you were put to large expense by other people is no reason why they should not be paid their reasonable charges; what expenses did you refer to when you said you had been put to very great expense? A. We had to pay Mr. Watson, K.C., $500 for defending that.

Q. The vouchers do not show that? A. I think they do.

Q. It shows $250? A. Was not $250 paid later?

Q. No? A. My recollection is we paid him $500.

Q. Any one else that you referred to? A. No, I do not know—ordinary expenses in connection with it, I could not say any particular.

Q. There is a cheque here of Beattie Nesbitt's in your favor dated May 15th, 1907, which is for $3,000; what is that for? A. The News newspaper if I remember rightly, had a judgment against him for about that amount and they came in to seize the stock of the bank in his name, and I advanced him the money at that time to pay it off, and he paid it back to me later on; that is my recollection of it.

Q. That is a cheque from Beattie Nesbitt to you, is that just payment back? A. That is the payment back.

Q. Who was your Inspector? A. Mr. Fitzgibbon was practically the Inspector.

Q. I thought Fitzgibbon was the Accountant? A. He was Chief Accountant and Chief Inspector.

Q. How often did he inspect the branches? A. I am sorry to say not very often; he went out whenever I asked him to go.

Q. There was no regular inspection? A. We had a young fellow under him named Spink who went out to the branches around and inspected them pretty regularly.

Q. Who inspected the Head Office? A. Mr. Fitzgibbon was supposed to inspect that. Do you mean the Head Office or the Toronto Branch?

Q. I mean the Head Office in Toronto? A. The Head Office was inspected by the local Manager of the Toronto Branch and the Toronto Branch was inspected by Mr. Fitzgibbon.

Q. Who was the local Manager of the Toronto Branch? A. I do not remember who was at that time; we had so many.

Q. How was it the local Manager of the Toronto Branch did not discover any of these charges that were being made in the bank books improperly? A. I could not answer for him.

Q. Did you show him anything? A. I certainly did not.

Q. Is it possible to mislead an Inspector if the Bank Manager wishes to do so? A. It was not possible to mislead Mr. Fitzgibbon making those entries.

Q. He knew all about them and helped to make them? A. Yes, and helped to make them.

Q. He must have connived with you to do it? A. I heard his evidence; he said he had to obey my order.

Q. His inspection of that would not be worth mentioning? A. Certainly not.

Q. To what extent was the inspection by the local Manager effective? A. He would simply take the vouchers and figures in the book and check them off and compare them; he would not go into the history of any particular entries; oh, it was perfunctory, that was all.

Q. Apart from that there was no real inspection by any officer? A. No, sir.

Q. You had no separate Inspector with nothing else to do? A. No.

MR. COMMISSIONER: What safeguard had the public, those that were creditors of this bank, depositing in it, against what happened? A. None whatever, under the existing conditions of the Bank Act.

Q. What would be the objections, if any, to some means being provided by which the Government could intervene and stop the operations of a bank that was found to be doing as this bank did? A. Undoubtedly they could.

Q. That is the American system, is it not? A. The American system they have a bank Examiner that is appointed by the Government at Washington whose duty is to drop in at irregular times on those various banks and check them up, so to speak.

Q. He has power to close the doors? A. Yes. The same system in a different way could be inaugurated here. My idea was, if you desire me to say so, that there should be a separate department in the Finance Department and a competent banker placed in charge of that whose duty would be to not only check the returns of the bank, but also the circulation. It would be a very easy matter for a competent banker to go into the Head Office of any bank and to form an idea as to the standing of that bank. The whole business of a bank really is conducted in the head office; the branches are merely arteries for bringing in deposits; the loans at branches are always, you might say, good; the losses are seldom made at the branches.

Q. What strikes one in this case is that even if it had been known what had been going on, unless some shareholder or creditor took action to wind-up the bank, apparently there was no provision in the law to stop it? A. None whatever that I could see. As I was saying yesterday, I think the circulation of a bank should be founded upon their reserves; a bank should be able to circulate bills to the extent of their reserve, and that reserve should be in control of the Government, because really the reserve they are earning interest on is like free deposits.

W. J. LINDSAY, Recalled:—

MR. HODGINS: Q. Have you found out, and are you in a position to tell me now anything about that $3,000 deposited to your wife's credit; you said you owed her money or something of that kind and I asked you to ascertain a little more definitely; have you done so? A. You have the cheques here, I understand.

Q. I am asking you why the money was paid to her? A. I told you I owed it to her.

Q. You could not tell me very much as to how the debt arose, though; I want you to state that? A. I borrowed it from her some time ago.

Q. How long before you paid it back? A. I borrow money from her quite frequently.

Q. I am speaking of something that happened in 1906? A. I may have had it a year and may have had it two years.

Q. Have you no recollection of how you came to borrow it? A. No.

Q. What amount had you borrowed? A. I owed her a very much larger sum than that.

Q. Is your wife a wealthy woman? A. I think this is hardly fair to bring my wife into this thing. The money was mine; I admit I got it.

Q. You brought her in. A. You asked me where it went and I told you that. There is much money I have not received yet on account of commissions, which is in Court (hands a letter to the Commissioner).

MR. COMMISSIONER: This letter says there is some litigation going on about this money.

MR. HODGINS: That he borrowed from his wife?

MR. COMMISSIONER: No, about his wife having money.

MR. HODGINS: What litigation is that? A. The Imperial Steel & Wire Company.

MR. HODGINS: On my own personal knowledge, there is no litigation going on in the sense of being active at all. A. There is the suit for the division of stock which my wife has.

Q. It has not been brought to trial since 1907? A. I have been very busy since that time; it is alive yet.

Q. Who are your solicitors? A. At the present time Beattie, Blackstock.

Q. Are they solicitors on the record? A. I do not know.

Q. Have you changed your solicitors? A. I have arranged to change, yes.

Q. When was the last step taken in that litigation? A. It was some time before the bank failure; there was another one very much alive, and you are well aware how it terminated, and it was a matter of one thing at a time.

Q. I am also very well aware that no step has been taken in the litigation which you refer to for the past three years? A. It will be.

Q. That is the reason you do not want now to be asked how you got the money from your wife? A. Yes.

Q. And why you owed her money? A. Yes.

Q. You think you might tell something here that would prejudice you in that case? A. I think it would be unfair.

Q. Why would it be unfair?

MR. COMMISSIONER: I think, Mr. Hodgins, this ought not to be pressed; I do not see the relevancy of it to this inquiry.

MR. HODGINS: Very well, I won't press it any further.

MR. COMMISSIONER: I do not suppose this inquiry is for the purpose of enabling the liquidator to get at anything.

MR. HODGINS: No. My object is to endeavor to trace this $3,000 which the witness said he paid to his wife? A. I got the money.

Q. Deposited to her credit?

MR. COMMISSIONER: It is plain it was so deposited; that is proved by the document; how are we any further concerned whether he owed it to his wife or not?

MR. HODGINS: What did your wife do with it? A. That is none of my business, and I do not think it is any of yours.

MR. COMMISSIONER: I do not think that is relevant.

MR. HODGINS: I put it this way: this man says, "I got that money, I paid it to my wife, I decline to state what she did with it". If she did it for him it would be just the same as if he did it himself, and he ought not to be unwilling to tell? A. The money is mine and if I have to state what I did with money

that I owned that went to the butcher or the candlestick maker it would take a long time to cover it.

Q. I would rather you would say it did go there?

MR. COMMISSIONER: I do not quite follow your reasoning about that, Mr. Hodgins.

MR. HODGINS: Because I do not believe that so far we have got the proper destination of that money.

MR. COMMISSIONER: It is suggested it went for some improper purpose? A. I say you have the proper destination of it.

MR. HODGINS: He declines to state how he came to owe it to his wife; how he paid it to her and what she did with it? A. You have her cheques; I don't see why she should be persecuted; you tried to examine her before.

MR. HODGINS: I made no effort to examine her here because you asked me not to? A. Not here; I have come here freely and of my own will, and was here three days without being subpoenaed, and every word I have spoken has been as simple as if you had had a phonographic record of it.

MR. COMMISSIONER: Was this money paid out in any way in connection with the Farmers Bank? A. No, my Lord, I paid out no dollar of money in connection with the Farmers Bank in any shape or form that was not legitimate. I paid Mr. Luxton quite a large sum of money in commissions; he was a field man up there with me, and I worked from 15 to 18 hours a day on this proposition, and I have had an endless amount of trouble; it has cut me out of thirty or forty thousand dollars of business.

MR. HODGINS: The only other question I want to ask you is in connection with the payment of $5,000; you have been already examined on that? A. Yes, three times.

Q. This will be the fourth time; just pay attention to the question. When you got back from to the Farmers Bank with that money in what shape was it? A. It was in a roll in my trousers' pocket.

Q. Covered up in any way? A. It may or may not have been; but I remember I rolled it up and I put it in my pocket, and I held my hand on it, held it in my hand all the way up.

Q. Remembering all that, do you remember if you put anything around it? A. I don't know whether I wrapped it up or put a rubber band around it.

Q. You do not remember? A. No; to carry $5,000 was rather an unusual thing.

Q. I asked you about one circumstance and that only, you cannot remember that; when you got to the Farmers Bank, what room did you go to? A. I came into the room.

Q. What room? A. I went into the outer room.

Q. Is that the one with the counter in it? A. Yes; stood at the counter, and Mr. Travers came to the door.

Q. To what door? A. To the door to the left of his own room.

Q. Then what? A. And I stepped up to him and I handed the roll of money to him.

Q. The counter, I thought, was between you? A. I opened the door, pushed it open.

Q. And stepped up? A. Yes.

Q. To where? A. Stepped up to the door, handed them to him; he was standing in the door.

Q. Which door? A. I told you it was the door of his own room to the left.

Q. How did he know you were there? A. He heard the door open; he was there waiting; he had his coat and hat on.

Q. How did he know you were there in order to come to the door of his room? A. He was there waiting ready to go away.

Q. Just at the door of his room? A. Yes.

Q. And you came in? A. Yes.

Q. He did not come forward to the counter and get the money? A. No, I looked to see if he was in; his door was open, and he came to the door and I stepped up and handed him the money and I said, "There you are, old man".

Q. That is all you said? A. He put it in his pocket.

Q. And you walked away with him? A. He said, "Let's go across the road and have a drink".

Q. You told us that before; you went with him? A. Yes.

Q. That is the only remark he made to you? A. Yes. There was not a soul in the bank, but himself that I saw, and I think if you ask the Traders Bank you will find that that transaction, if they can produce their blotter, or whatever they call it, I think you will find that that is pretty nearly the last item on that day's business, and I think you will also find, if they can trace it up, that in the bank that day they did not have any $100 bills. I asked for the largest bills they had, and if my memory serves me right they said they had not any $100 signed.

The Commission adjourned to 11 a.m. to-morrow.

Toronto, May 31st, 1912.

The Commission continued its sittings at 11 a.m., at Osgoode Hall.

PRESENT:

HONOURABLE SIR WILLIAM MEREDITH, Commissioner;
FRANK E. HODGINS, K.C., and JOHN THOMPSON, K.C., representing the Dominion Government.
MR. H. H. DEWART, K.C., representing Dr. Beattie Nesbitt, was present for a short time.

MR. DEWART: Would Your Lordship allow me to mention a matter before going on with the evidence? My learned friend has had my client, Dr. Nesbitt, subpoenaed for attendance this morning. He was subpoenaed yesterday, and as a matter of fact I have not had sufficient time to consider his position coming here under an Extradition Warrant. I take it for granted that my learned friend will not want to go into any matters that are the subject of charges on which the Doctor is shortly to be tried, but if my learned friend will let the matter stand I shall be glad to confer with him, and perhaps he could give me the heads under which he desires to examine the Doctor, so that I might arrange for his attendance at such date as will suit you to go on.

MR. HODGINS: I have no objection to letting it stand for a few days, and I can arrange with Mr. Dewart. I think there is a good deal of information that can be given that won't conflict in any way with the charges that are pending, but as to that I suppose when I do ask the questions about that, it will be sufficient time to object.

MR. DEWART: Well, I am quite satisfied with that.

MR. COMMISSIONER: Do you acquiesce in the position Mr. Dewart takes that the inquiry ought not to touch any matter that is the subject of a prosecution.

MR. HODGINS: No, I do not, but I think it is quite sufficient time to raise that objection when I come to that branch of the subject.

MR. DEWART: I will confer with Mr. Hodgins.

MR. HODGINS: You will undertake to produce Dr. Nesbitt.

MR. DEWART: Yes.

DR. BEATTIE NESBITT: I will be here.

MR. HODGINS: The reporter from the Globe made an application yesterday to make a copy of one or two of the exhibits, that is the letter said to be sent by Mr. Travers to Colonel Matheson, and which Colonel Matheson said he did not get, and the two Greenwood letters. I did not feel that I was in a position to give them, indeed they were locked up at that time, but I suggested that he should apply to you, Mr. Commissioner.

MR. COMMISSIONER: I suppose this is a public enquiry and the documents are here, and there is no reason why anybody should not take copies of them.

MR. HODGINS: In that case there is no objection to copies being made.

I have been making enquiries about that agreement which Mr. Travers referred to as to his commissions, and Mr. Dewart, to whom I spoke, has recalled that he mentioned it in some address he made on one of the charges, and he has been good enough to look among his papers, and I think he has been able to find it. I asked him if he would attend here.

MR. DEWART: Yes, Mr. Commissioner. I looked up my notes of the remarks I made at the time Mr. Travers pleaded guilty, and I see I referred then to the fact that there was an agreement between the provisional board and Mr. Travers, dated July, 1906, under which he was entitled to a commission of 15% on the first $500,000 of capital stock sold; so I looked up my files and I found the original document there, and I now produce it. I got it from Mr. Travers at the time I was preparing his defence. Your Lordship will see on one page a correction of the amount in pencil, where something is scored out and $6,000 is written in in pencil instead of $5,000. My recollection with regard to that is that Mr. Travers told me that that was a note he had made on the agreement as showing what the final amount that was voted to him by the permanent board of directors, namely $6,000 a year, instead of $5,000.

MR. COMMISSIONER: That is simply a memorandum.

MR. DEWART: Yes. (Mr. Dewart hands the agreement referred to to Mr. Hodgins.)

DR. JOHN FERGUSON, Recalled:—

MR. HODGINS: Q. You have been already sworn? A. Yes.

Q. We have already had the agreement made on the 4th July between yourself and Travers, and now there turns out to be another one; will you just look at it; I want to find out if that agreement is the real one.

MR. COMMISSIONER: While he is looking at that, I observed a statement in the Globe newspaper this morning that the evidence shows that the advances to the World were made in consideration of the World procuring a deposit. The evidence is the exact opposite of that.

MR. HODGINS: Yes, that is as I understood it, and that I think was the impression that Mr. Travers gave originally about it.

MR. COMMISSIONER: As far as the evidence here is concerned that is the position.

MR. HODGINS: If any one can throw any further light on that I shall be only too glad to have any witnesses named to me, and I shall be very glad to call them if they are mentioned by any one who knows about them and will give their

names. I have subpoenaed everybody that I have thought could throw any light on the subject at all.

WITNESS: (After looking at the agreement): I have no remembrance of that. This is an agreement which has been entered into, but the only thing I can say is this, that this agreement has been made, and those are real signatures of the persons to it; I know my own and the others, but this was never acted on; whatever had become of it or done with it I don't know; so far as we were concerned it was never acted on.

MR. HODGINS: Q. We are interested chiefly in the amount of commission; Mr. Travers said he was to get 15% commission; that would account for the $71,800 of commissions? A. That says 15%, but so far as we were concerned we never knew of that agreement having gone into substantial effect and being acted upon.

Q. What was the condition, if there was a condition, subject to which it would come into operation? A. None that I know of.

Q. Why was not it acted upon? A. I cannot tell you that; but so far as my connected with it is concerned it never was acted on.

Q. What was acted on with regard to the commission? A. I understood only the 10% agreement of the 4th July.

Q. Can you understand at all why such an agreement as that would be prepared mentioning 15%? A. No, I cannot say why that agreement had been prepared.

Q. If the agreement was prepared and signed apportioning, say, 15%, when you say it was not acted on, what do you mean, did not Travers get subscriptions and did he charge up commissions at 15%. A. Never to my knowledge.

Q. Did he charge them up at 10% to your knowledge? A. I understood 10% was the charge being made.

Q. Who did you understand from? A. The usual working at that time, if my memory serves me, at the time of the organization of the Bank I understood charges were being made at the rate of 10%.

Q. Who would know? A. The one that would really know that fact would be Mr. Smith who had charge of the books.

Q. C. H. Smith? A. Yes.

Q. Would Mr. Lown? A. He might know; he would know more than I would.

Q. Is that all the light you can throw on it? A. Yes, I had clean forgotten that that had ever existed, so much had it been out of use or been made no use of.

MR. COMMISSIONER: I do not understand what you mean by that; here is an agreement signed by all the parties setting out in detail the terms and arrangements between you, I do not understand what you mean by saying it was not acted on; it was not for mere amusement this was drawn? A. No, I do not suppose so, but at the same time I have not the slightest remembrance of that having been acted on.

MR. HODGINS: Q. You were the best financier among the Provisional Directors, you would be the one who would know? A. No, I do not remember, I had clean forgotten of the existence of that, indeed at least so far as I was concerned I never knew of any agreement in operation than the second one of the 4th July. We were working under a 10% arrangement.

EXHIBIT 73: Agreement of the 4th July, 1906, between the Provisional Directors and W. R. Travers, naming 15% commission on the sale of the capital stock.

Q. The meeting of the 10th March, 1906: "The agreement between the Provisional Directors of the Farmers Bank of Canada and W. R. Travers as to his being General Manager, as presented in duplicate, be and is hereby adopted and that the same be executed forthwith. Carried. Watson voting nay". Then: "That

we reserve the sum of $500,000 stock to be sold by Messrs. Smith and Urquhart, Urquhart & MacGregor in such proportions as we may afterwards determine, and subject to such conditions as we see fit". A. That reservation of that block of stock to Smith and others was changed, you will notice, in the agreement of July 4th.

Q. Was that on the basis of 10% A. Yes, I think all that arrangement all the way through was on the understanding of 10% commission.

Q. On the 4th July there appears to be a meeting at 2 P.M.? A. Yes, one in the forenoon and one in the afternoon.

Q. There is a reference to the letter of Messrs. Urquhart, Urquhart & MacGregor regarding the acceptance of notes; then there is a resolution that the sum of $10,000, on account of commissions for the sale of capital stock be paid to W. R. Travers; another resolution that the agreement entered into this day between W. R. Travers, C. H. Smith and Messrs Watson and others, be confirmed and signed. Then you authorized him to endorse all notes; and the Executive Committee are to make allotments of stock. There appears to be only one agreement mentioned there, which is not that one (Exhibit 73).

MR. HODGINS: The agreement of the 12th July, Exhibit 12, between the Provisional Directors and Smith and Travers, contains the provision that the Directors agree to allow Travers to sell all the capital stock of the bank now unsold, the first $500,000 at par and the balance at a premium, and to allow him a commission of 10% thereon for expenses of selling same, payable one-half on the signing of the subscription and payment of deposit, and the balance on allotment.

MR. COMMISSIONER: The difference between these two agreements apparently is the one is made between the five Provisional Directors, Smith of the second part and Travers of the third part (Exhibit 12); the recitals are the same and the provisions are the same down to this, which is in the one to which Smith is a party: "And the said party of the second part who has certain rights under said agreement dated 12th day of March, A.D. 1906, as to the sale of the stock of the said bank agrees to surrender all his rights under the said agreement and releases all his claims against the said Provisional Directors or the said bank." That is not in the other one. This provision is in the one that Smith is a party to that does not appear to be in the others: "That the party of the third part (that is Travers) agrees to accept the legitimate accounts as they now stand upon the books for the expenses of the organization to date, and also agrees to allow the parties of the first and second part the sum $20,000 as remuneration for their services, surrender of charter, etc., to be paid out of the funds of the bank, provided the same be confirmed at the meeting of the subscribers."

MR. HODGINS: Was not the fact this, that you made that 15% agreement with him, and that Smith objected that he had an outstanding right to control the first $500,000 and that the agreement to which Smith was a party was the subsequent agreement getting rid of that outstanding claim and making Travers' commission 10% instead of 15%, he to accept the disbursements you had made as being all right, and agreeing to pay you and Smith jointly $20,000? A. You see I cannot connect that 15% agreement at all in my mind; it had been so apparently, entirely out of use.

MR. HODGINS: You remember anyway that Smith was an objecting party to your dealing with Travers on account of his having an outstanding right to sell the stock, and that you had difficulty in dealing with Smith, and he came in on the same basis as you Directors? A. Yes, but it was more in this connection; the agreement of the forenoon of the 4th July had arranged that the remuneration coming to the Provisional Directors was to come by vote of the shareholders, and the objection, if my memory serves me rightly, and I think I have stated this already here, was that Smith said, "Suppose that the Shareholders do not approve of that sum, I would be entirely out, would get no consideration, and yet I have given up my prospective position in the bank and the remuneration I could make

from the sale of this block of stock". It was because of that that the agreement of that afternoon was made by which Mr. Travers paid us part of that remuneration himself out of the commissions then earned and put to his credit, and there is where my memory has it, that Smith's objections came in. This other agreement of the 15% why it was prepared and just for what reason it might have been drawn up I do not know.

MR. HODGINS: Was not it prepared first and then owing to Smith—? A. No, I cannot say that.

Q. Wait till you hear my question; owing to Smith not being a party to it that somebody became alive to the fact that unless you had him bound by coming into the agreement you could not give Travers the Commission agreement? A. I do not know why it was prepared or whether it came in before or after, or what was the object of it at all; it has passed entirely out of my mind, and I cannot connect it at all with the matter.

Q. You remember two agreements to which Smith was a party? A. Yes.

Q. One later than the other? A. Yes.

Q. And caused by Smith's objection to what the effect of the first one might be? A. Yes.

Q. That is the final agreement? A. Yes, that is the final one as far as I remember.

JOHN GILCHRIST, Sworn, Examined by—

MR. HODGINS: Q. What was your position in December, 1907, and January, 1908, what was your business? A. My regular business?

Q. Yes? A. Manufacturing business, the Crompton Corset Company.

Q. Mr. Crompton is the head of it? A. Yes, sir.

Q. Are you a relation of Dr. Beattie Nesbitt's? A. No, I am no relation.

Q. It is Mr. Crompton? A. I think so, yes.

Q. Did you become a Director of the Farmers Bank? A. Yes.

Q. Did you subscribe for stock? A. Yes.

Q. About when did you subscribe? A. It was late in the fall, just previous to the bank opening for regular business.

Q. For how much? A. Thirty shares.

Q. Did you pay those shares up before you acted as a Director? A. Not in full; I paid by cash and gave my note.

Q. How much? A. $300 I paid first.

Q. And then? A. And then I paid $300 when that note came due, I think at the end of three months.

Q. What about the balance, had you given a note for the difference? A. Yes, sir.

Q. You subscribed before the list of Shareholders was sent in to the Government, did not you? A. I don't think so, at least it was late in the autumn when I subscribed.

Q. Was it just before the first meeting you organized? A. Yes, the first meeting.

Q. Did you act as Director throughout 1907? A. Yes, I acted about a year I think.

Q. And then you resigned? A. Yes, sir.

Q. You wrote to Mr. Travers to give up your position? A. Yes, sir.

Q. Saying you had never been quite satisfied that you were legally qualified, and you did not own thirty shares of stock fully paid up? A. Yes, sir.

Q. Who induced you to become a Director? A. I think it was Dr. Nesbitt who asked me first and then he and Mr. Travers, I met both of them.

Q. When you left what became of your stock? A. The bank took the unpaid part, they wanted it for some concern.

Q. $2,300? A. Yes, they wanted it for some concern that was wanting more stock than they had, or something, and they took that from me and I gave them Power of Attorney to transfer it.

Q. And gave up your stock and got back your notes? A. Yes, sir.

Q. Were you financially good for the $2,300? A. Yes, sir.

Q. You could have been made to pay it? A. I could have paid it, yes, sir.

Q. Do you know what became of that stock? A. I don't know, it was transferred to somebody.

MR. D. I. GRANT: I can give you the particulars.

MR. HODGINS: I think it appears in that Continental Securities Company.

MR. D. I. GRANT: That is the way it was transferred.

MR. HODGINS: That is all you had paid up to the time? A. Yes, the other stock that I had paid, the seven shares, I sold them at the same time.

Q. Did you know anything of the relations of Mr. Crompton with the Bank, his dealings with it? A. No, he had not any relations with it while I was there.

Q. After you left? A. After I left I think he had some relations that way, but I did not know anything about them.

Q. You just knew he was dealing with it? A. I knew when the matter came up with Mr. Travers, when the bank closed.

Q. If the amount shown as paid up on your stock was $3,000 when the list went into the Government that would not be true to the extent of $2,300? A. No, I did not pay the full amount in cash.

FREDERICK CROMPTON, Sworn, Examined by—

MR. HODGINS: Q. What is your business? A. Manufacturer of corsets.

Q. You are the President of the Crompton Corset Company? A. Yes, sir.

Q. I believe you are quite a capitalist? A. I do not know about that; we do quite a large business, have done for 34 years.

Q. When did you first have any dealings with the Farmers Bank? A. It would be about the 2nd March, 1908.

Q. Would you look at that agreement and see whether that agreement was one that was come to? A. Yes, sir, that is a copy of the agreement.

Q. Was that agreement then between the Farmers Bank and Travers and Nesbitt of the first part and yourself of the second part carried out? A. Yes, it was carried out, not exactly as it is mentioned there.

EXHIBIT 74: Agreement, the Farmers Bank *et al* and Frederick Crompton, filed.

Q. What were you to do? A. I was to make a deposit in the bank.

Q. Of $50,000? A. That was the latter arrangement.

Q. Was that a later one than the one we have spoken of? A. Yes.

Q. The one I have just spoken of, what amount did that deal with? A. $150,000.

Q. That is in March, 1908; did you know the bank was in any difficulty at that time? A. No.

Q. It is a very unusual transaction? A. It was rather unusual; I had an extra amount of money coming in at the time from an investment and I had the money on hand.

Q. You were to deposit this money in the bank and they were to give you a deposit receipt, and then you were to take out their circulation from time to time until the deposit receipt was wiped out? A. That was the proposition at first. I was given a deposit receipt and then I returned their deposit receipt and they gave me the bills; they cashed my cheque and gave me the bills.

Q. That is from time to time? A. They gave me the bills and I returned the money from time to time.

Q. They gave you deposit receipts for $150,000? A. Yes, and then I declined it.

Q. How long did you hold those? A. It may have been a short time, I think I returned it within a few days; I did not think about it, and as soon as I noted it I returned the receipts.

Q. You lent them that amount of money and got a deposit receipt? A. Yes.

Q. And you say you returned them after a few days? A. Yes.

Q. And you got the money for it? A. I got the money for the amount of deposit.

Q. Farmers Bank bills? A. Yes, sir.

Q. Did you retain that money and pay it out gradually through your own business? A. No, I retained the money for the time and returned it to Mr. Travers, returned it to the bank.

Q. That is not what I am instructed; you did not mean to say you had the Farmers Bank bills for a time and handed them all back to Travers? A. I handed them back at various times, from time to time.

Q. You did not circulate them through your own business? A. No.

Q. You held them and handed them back to him? A. Handed them back to Mr. Travers from time to time.

Q. And in the meantime they had the benefit—A. Of my cash.

Q. Who proposed that arrangement to you? A. Dr. Nesbitt proposed first that I make a deposit, and then I arranged with Mr. Travers.

Q. Is Dr. Nesbitt a relation of yours? A. Yes.

Q. What relation? A. Brother-in-law.

Q. From 1908 down did you keep that sort of thing up? A. I paid the amounts in from time to time.

Q. Did you make any other agreement beyond the $150,000 one? A. No, there was no agreement; I made a further deposit.

Q. How much? A. $50,000.

Q. Was that shortly before the bank failed? A. No, that was in January if I remember correctly, 1909.

Q. The same plan gone through? A. Yes, the same arrangement made, to return it from time to time.

Q. What interest did you get on your deposits? A. I got 5% on the last.

Q. What did you get on the first? A. I got 3%.

Q. Was that all the benefit you got out of it? A. I had the shares in the Mine.

Q. The Keeley Mine? A. Yes.

Q. What shares? A. There were some shares in making a deposit; there was a consideration given to me in the Keeley Mine stock.

Q. How much? A. 20,000 shares.

Q. 20,000 shares? A. Yes, it was of unknown value at the time.

MR. COMMISSIONER: That appears in the agreement? A. Yes.

MR. HODGINS: Did not the bank buy those shares back from you? A. I never had them in my possession.

Q. Yes, I know, but did they buy them back? A. Yes.

Q. How much did they give you for them? A. $10,000.

Q. How long was that before the bank failed? A. I think it was in the summer of 1909 or 1910.

Q. That you got the money back? A. Yes.

Q. Anyway you accounted for that? A. To Mr. Travers.

Q. To Mr. Clarkson, you paid him back that $10,000? A. It was said that I was not entitled to it and it belonged to the people, and in view of that I thought it more honourable to return it and I returned it.

Q. You returned the $10,000? A. Yes.

Q. Apart from your own 5% and 3%, and the $10,000, did you get any benefit from the transactions you had with the bank? A. I had the stock.

Q. Which you say the bank bought from you? A. Yes.

Q. Did you return the amount they paid you? A. Yes.

Q. Is that the $10,000? A. Yes.

MR. COMMISSIONER: By stock you mean Keeley Mine stock? A. Yes.

MR. HODGINS: Outside of that and the interest you got did you get any benefit from the arrangement? A. There was a small amount that I received in addition, I think from Dr. Nesbitt.

Q. How much was that? A. $350 I think, I don't remember exactly.

Q. What was that paid for? A. I suppose that was in view of my making the deposit with the bank.

Q. When did you first know about the Keeley Mine? A. The first time I heard about the Keeley Mine I think would be somewhere about February, 1908.

Q. That is before the agreement you made? A. It was current throughout the city.

Q. Was this deposit you made for the purpose of putting up funds for the benefit of the Keeley Mine? A. No, this was made as an ordinary deposit; Mr. Travers never mentioned to me with regard to what it was for.

Q. Did Dr. Beattie Nesbitt mention to you that it was to be used in the Keeley Mine? A. No, it was a straight deposit in the bank.

Q. What was the reason for the transaction, what was the explanation they gave you of it? A. They wanted the deposit in the bank the same as the other banks wanted it, and Dr. Beattie Nesbitt asked me to make a deposit, and I was introduced to Mr. Travers and made the deposit. I did not wish to deposit for a length of time because I wished to re-invest the funds which I had at that time.

Q. What was the explanation of your getting Farmers Bank bills? A. I do not know more than it would be more convenient; there was nothing very special about it. I do not recollect there was anything special about it; it was brought before me and I took it.

Q. Where did you keep these Farmers Bank bills? A. I kept the bank bills in the National Trust box and in my own safe.

Q. Did you take them out week by week and hand them over? A. No, whenever the demands were made I left them in the Trust Company box.

Q. I thought you returned them to the bank to Mr. Travers? A. Yes, from time to time.

Q. Did you make those returns regularly, week by week? A. No, the books would show it.

Q. Did he ask for them, or did you volunteer them? A. I asked him if he wished to make an investment or something outside, then I would ask Mr. Travers and take it down.

Q. You, of course, knew there was a penalty under the Bank Act? A. No, I did not know.

Q. Mr. Travers said he showed you the Bank Act and a particular section of it, said to be section 139? A. I have no recollection of that at all.

Q. You would not say? A. I would not do that if I knew there was a penalty, I would not have done it.

MR. COMMISSIONER: When does Travers say he did that?

MR. HODGINS: At the preliminary enquiry.

MR. COMMISSIONER: No, but when did he say he did it? It is an extraordinary thing if he was wanting to get the man's money; it would not be very probable? A. No.

MR. HODGINS: What Mr. Travers says is this:

"Q. You say there was an agreement; was that agreement in writing? A. No.

"Q. Was it made personally with Mr. Crompton? A. Yes.

"And this is the only transaction you have in your mind? A. That is all.

"Q. You were aware of the provisions of the Bank Act? A. I was.

"Q. Did you disclose those penalties to Mr. Crompton? A. I think I showed him the Bank Act; I think so.

"Q. Did you convey to him the information that all these penalties would be incurred by what he was doing? A. No, I showed him the Bank Act.

"Q. Did you show him section 139? A. I showed him one section—"

Then he says you did not know it was an illegal act; you say you do not remember him showing you the Bank Act? A. I have no recollection of it.

MR. COMMISSIONER: How is that?

MR. HODGINS: Here is the evidence: "Q. Just refresh your memory on that; did he know it was an illegal act? A. I could not say he did; he did not seem to know much about it.

"Mr. Corler: He wanted the interest, I suppose.

"Mr. Owens: The bills bear it anyway.

"Witness: I think he was guided by Dr. Nesbitt."

ALEXANDER S. LOWN, Recalled by—

MR. HODGINS: Q. You have already been sworn; you remember on one of the first occasions you gave evidence there were two agreements between the provisional directors and Travers, the 4th July agreements? A. Yes.

Q. Recently another one has turned up which provides for a 15% commission to Travers, and the one to which Smith is a party on the same day provides only for 10%; what is your explanation of that document I have given you? A. I don't know anything about it; this is something I don't remember anything at all about.

Q. Drawn by you? A. I don't know; this is my signature.

Q. It appears to be done on the same typewriter as the others that day; these are the others, were not they all drawn by the same person? A. These were the agreements that were operative (Exhibit 12); this may have been something that we signed during the negotiations.

Q. You see it is signed? A. Yes, I see it is signed, but it was never operated on, and I had forgotten all about it.

Q. Smith is not a party to it? A. I notice he is not a party to it.

Q. Some one has said that owing to Smith's objections to the first of those two agreements (Exhibit 12) that the second one was come to; had you any difficulty before the agreements that Smith signed with him regarding the right to sell stock? A. There was a good deal of difficulty at the time, and it is so long ago it is difficult to remember all the difficulties.

Q. The situation was this, that you had given Smith an agreement? A. That we had given Smith an agreement.

Q. When you came to deal with Travers, was that the difficulty in the way? A. Yes, that was one difficulty in the way.

Q. Take this 15% agreement as it stands, that does not deal with Smith in any way? A. No.

Q. Were you in a position to make that agreement unless you dealt with Smith—you see the other agreements on the same day deal with Smith and he gives up his rights to Travers? A. I remember there was a good deal of trouble for several days there.

Q. What agreements were finally confirmed? A. The agreements finally confirmed were those two agreements (Exhibit 12). Those are the agreements we always acted on, and this seems to have been some negotiations I was going on with that I have forgotten about.

Q. More than negotiations? A. Yes.

Q. Can you give me any better account? A. No.

Q. Who would know? A. I don't know.

Q. Who among the directors would know anything about it? A. I don't know.

Q. Did you draw all those agreements? A. The agreements were drawn by Travers and myself.

Q. And you drew that agreement now produced with the 15%? A. It is probable I did.

Q. You cannot give any further account? A. No, because it is an agreement that had entirely gone from my memory, and it is an entire surprise to me, producing it now. If I think it over I might possibly think of it, but just on the spur of the moment I cannot recollect.

Q. Do you know at what rate, if there was any rate fixed on which commissions were paid? A. Commissions were always paid Travers at the rate of 10%.

Q. Down to what time? A. I think there were very few commissions paid after the 4th July.

Q. There were some there? A. I could tell better if I saw the ledger. My recollection is that there were very few commissions; I don't think there would be over $1,000 paid.

Q. Your recollection is that if any were paid they would be at 10%? A. Yes, because that is what was always in our minds.

Q. This is the provisional directors' ledger under the head of Travers, June, July, 1906, 1906, that $10,000 was charged, and $1,500 there, quite a large amount? A. They were all paid at 10% anyway.

MR. COMMISSIONER: What do you mean by all paid at 10%; was there an account ever made, or did you pay on particular subscriptions; where did you keep your account showing what you owed him for commission? A. I am not familiar with the bookkeeping; the bookkeeping was entirely in charge of Mr. Smith.

Q. How do you know you paid him 10%? A. I remember that all commissions were paid at the rate of 10%.

Q. How do you know that if you did not keep the books; you told me you did not keep the books? A. I signed the cheques.

Q. The cheques did not indicate what the rate was? A. Well, I was always told by Smith that they were calculated on 10% basis.

MR. HODGINS: Mr. Clarkson says he has never found any account of those commissions other than that ledger.

MR. COMMISSIONER: Would there be any idea that after you had got Travers personally bound to pay you the $20,000, it did not make much difference whether he got 10 or 15%, and you gave him the 15% after that? A. No, I do not know.

Q. You see he bound himself to pay the $20,000 whether or not the shareholders confirmed the payment; could it be that after he had bound himself to

do that that you agreed to pay him 15%. A. I have not the slightest recollection of the 15% agreement.

Q. But it is there? A. Yes, but I cannot remember anything about it. It seems to me it was prior; the existence of this agreement seems to have entirely escaped my memory.

Q. You cannot give any more light? A. No.

MR. HODGINS: Q. I suppose looking at the amount you were to pay Travers as salary that would not throw any light on it, would it; in one place I think it is $5,000? A. It is $5,000 in both.

MR. COMMISSIONER: That pencil mark is $6,000, but that is no part of the agreement? A. The pencil mark is not in my handwriting.

DONALD C. MACCALLUM, Sworn, Examined by—

MR. HODGINS: Q. You live in Owen Sound? A. Yes, sir.

Q. What business are you in? A. I am working in a chair factory there.

MR. COMMISSIONER: Is this the officer whose name has been mentioned?

MR. HODGINS: Yes.

MR. COMMISSIONER: Is there any object in raking over anything?

MR. HODGINS: No; I want to ascertain if I can something about that McIntyre note.

MR. COMMISSIONER: Very well.

MR. HODGINS: There was a note which appears charged in closing up an account of yours with the bank, known as a "McIntyre note" for $10,000, can you throw any light on who McIntyre was? A. No, sir; I know nothing about it.

MR. COMMISSIONER: Would not it be better to get that from Mr. Hunter; the suggestion was he was a clerk in his office.

MR. HODGINS: Yes.

WILLIAM AHEARN, Sworn, Examined by—

MR. HODGINS: Q. You are the manager of the Beeton Branch of the Traders Bank now? A. Yes.

Q. And you were paying teller in December, 1906, in the Toronto office of the Traders Bank? A. Yes, sir.

Q. I have asked you to look at your blotter and statement of the 6th December, have you been able to see that? A. Yes, I have it here.

Q. Just sit down and study that cheque for a moment (Exhibit 28); what I want to know is if you can tell me something about the transaction, whether you paid that and if you have any record of how you paid it and what denominations? A. I have no recollection of ever seeing it before.

Q. Do you know W. J. Lindsay? A. I cannot say that I do. When you wrote to me the other day I said I remembered having dealings with Mr. Lindsay, but I believe perhaps I was mistaken. The man I referred to was a short, rather stout man with a sandy moustache; possibly it was Mr. Smith, was it? He was the man who was organizing, who made the deposits when they were organizing the Farmers Bank.

Q. That certainly does not describe Mr. Lindsay? A. I see this is the first receiving teller's stamp and that was not my stamp at the time; I was paying teller; this has apparently been dealt with by the receiving teller.

Q. But Mr. Lindsay says it was paid to him over the counter, cashed? A. Possibly by the receiving teller.

Q. Would you look at your records, just to confirm that? A. This is my blotter; there is an entry here of December 6th for $10,000, but it does not necessarily say that that is that cheque.

Q. Is the next business day the 7th? A. Yes.

Q. And then the 8th? A. Yes.

MR. COMMISSIONER: I thought somebody said it was a Saturday.

MR. HODGINS: Yes, Mr. Lindsay said it was a Saturday, and it was just before the close of the bank, and he walked up— A. The first was Saturday.

Q. Then was the 8th Saturday? A. Yes.

Q. Is there any $10,000 on the 8th; what is this? A. That would be another entry, general ledger.

Q. This first column on page 432 are the cheques paid out? A. Yes.

Q. Can you tell me from the look of the book what period of the day it was paid out—do you enter them in sequence as they are paid out? A. No, I used to put them on a file and enter them after dinner usually.

Q. The last would come first, would it not? A. That $10,000 would be likely to be one of the first.

Q. How would it be that the receiving teller would pay out that money? A. Well, he may have received credit on deposit and paid out the balance in cash from sundry cash he received.

Q. Is that what you think from the look of the cheque? A. I cannot connect that $10,000 being in my blotter, because if it was in my blotter it would have my paid stamp on it.

Q. If the receiving teller paid it out he would put a slip through to you, would not he? A. Not exactly.

Q. Who was the first receiving teller then? A. I think it was Linton.

Q. Where is he? A. He is manager of the Arthur Branch; he succeeded me as receiving teller.

Q. Whose initials are on that cheque—somebody suggested Graves? A. It might be Graves; Graves was the ledger keeper at that time.

Q. What does the pencilling on the back, $10,000, mean, and whose handwriting is that? A. I could not say unless it was the receiving teller's; it is not mine.

Q. You say his name was Linton? A. Yes, A. J. Linton, Traders Bank, Arthur.

Q. Have you your statement book here and does that show? A. They destroy them every five years; we have no record of the statement. I think that $10,000 entered there must be another cheque; I do not remember any transaction with this $10,000 cheque at all, and those are not my pencil figures on the back.

Q. You think if you had paid that you would be able to see something on it to indicate you had to do with it? A. I think if I paid part of it in cash I would mark on the back what I paid.

Q. Supposing you paid it all in cash? A. I would mark it all on the back what I paid him.

Q. Why is that done? A. In case of a shortage at night you could tell, you could check over all your cash and find out what denominations you are short.

ARTHUR R. SHAVER, Recalled by—

MR. HODGINS: Q. There is an entry here with regard to commission of 15%, payable to Mr. Travers, which is said to be altered, page 27 of the minute book of the bank; are those minutes in your handwriting? A. Yes.

Q. And do you notice this on page 27, "Appointment of general manager"—just read that through—is that as you wrote it originally? A. Yes.

Q. No change? A. No, sir; no change.

Q. It is said that the 10% is changed? A. Well, now, on closer examination I say it has been altered; I did not observe it at first.

Q. Where did you get the information from that enabled you to put in that memorandum? A. I was given, I suppose, the papers in connection with it.

Q. What did you originally write there as far as you know? A. I could not tell you.

Q. How did you come to change it or did you change it? A. I did not change it.

Q. Do you know anything about the change? A. No, sir; I did not observe it till now, and would not have observed it except on the closest scrutiny.

Q. Look at page 133, under the heading of "Credits granted"; you notice one of those is "George Wishart, and Keeley, J. W. Mine, $50,000" is that as you wrote it in—I suppose the entry is in your handwriting? A. Yes, sir. These figures are out of alignment; I did not make it that way.

Q. What did you write in opposite George Wishart, and Keeley, J. W. Mine? A. There seems to be another nought put on.

Q. Making it what? A. $50,000 instead of $5,000.

Q. Do you kown anything about that alteration? A. No.

Q. Do you notice on the same line the word "mine", is that in your handwriting? A. Yes, I think so.

Q. The last three lines: "The General Manager explained the formation and interests in Keeley Mine, which was satisfactory to the Board, and further advances were authorized, if necessary"; whose handwriting is that in? A. In mine.

Q. Was it put in at the same time or later? A. Later.

Q. How much later? A. I could not say; it might be weeks, it might be months, I could not say.

Q. How did you come to make that addition? A. Mr. Travers asked me to write it in.

Q. Do you say weeks or months? A. I cannot say, quite a considerable time, it may not have been months.

Q. After the next meeting of the Board? A. I could not say; there was something written in the book here afterwards, I don't know how much.

Q. This is June 17th, and the next meeting was the 15th July, was it written in and changed before the next meeting, or was it after that? A. Oh, no, the book was written up somewhat when this addition was put in.

Q. You mean there had been further entries in the book? A. Yes.

Q. Then that would be after the 15th July. A. Yes.

Q. The next minutes after that meeting would have been written in? A. Yes.

Q. Why did you put that in if the minutes had been passed? A. Mr. Travers asked me to come down to his office and he dictated to me what went in there.

Q. Why did you put it in? A. I was told to write it in.

Q. You need not have done it? A. No, I see that now.

Q. Why did you do it at all: was it in consequence of his orders? A. Yes.

MR. COMMISSIONER: Was there no explanation made: surely you knew if you did that you were committing forgery? A. I did not realize that at the time.

Q. Did he give you any explanation of why it was to be done? A. No, sir.

Q. None whatever? A. No.

Q. I cannot understand your altering the minutes unless there was something? A. He said something about going to put through the resolution afterwards, or something of that sort.

Q. Did he say to you that it had been done, what he was asking you, at that meeting? A. I cannot recollect whether he did put it that way or not.

Q. Because his explanation is, as I understand it, that the minute, as you corrected it, is what actually took place at the meeting and that the correction was made so as to make it correspond with the fact? A. Probably he did tell me that.

Q. You do not know, you have no memory about it? A. No, sir.

Q. Had you any banking experience before? A. No, sir.

Q. What had been your business? A. Accountant.

Q. Surely you knew that to put something in that had not occurred and so alter the minute was a forgery, didn't you? A. I did not know it then; I have learned it since.

Q. Do you think you could alter a note? A. No, I think that would be wrong.

Q. What were those minutes written up from, they were not written as the thing was proceeding, what were they written up from? A. Sheets, immediately after the meeting.

Q. In whose handwriting were those? A. They would be typewritten.

Q. Who made them? A. The Secretary, Mr. Travers' Secretary.

Q. At the meeting or after the meeting? A. I could not say as to that, they would be given to me after the meeting.

Q. Who took the original minute? A. I don't know.

Q. Did you ever see any original minute? A. No, these were given to me as the original.

Q. But you quite understood from what you have just said that that was not what was written down in the presence of the Board, that typewriting; I understood you to say that the Secretary typewrote it? A. They were given to me in typewriting; I did not see any others.

Q. You do not suggest that those were typewritten at the meeting? A. I did not see any others.

Q. That is all the light you can give us? A. Yes, sir.

MR. HODGINS: I do not think there is anything else unless Mr. Travers wants to say something.

MR. TRAVERS: If you wish me to speak as to the second agreement I may be able to throw some further light on it.

MR. HODGINS: If you wish to.

W. R. TRAVERS, Recalled:

WITNESS: My recollection of the matter is I asked for 15%, it was with Mr. Lown, and he said I had to be satisfied with what I have got, and after the first went through the second one went through.

MR. HODGINS: Which do you call the first one? A. The first one was the 10%, and the second one was the subsequent one, that I remember quite plainly.

Q. The 10% one was the agreement which was confirmed at the meeting? A. At the Provisional Board, but I did not see those minutes.

Q. That was the one that was confirmed at the Provisional Board? A. At the Provisional Board, I found it in the minutes afterwards.

Q. The second agreement of the 4th July which was altered owing to Smith's objections, I think we have been told was made in the afternoon? A. The 10% agreement and the other agreement were made simultaneously, and the other 15% one was afterwards, later in the day.

Q. What was the reason for making a change after you had made two agreements? A. The reason that I am satisfied was that they could not get rid of Smith on a 15% basis, and they had to settle with him on a 10%.

Q. But they settled with you on that? A. That was the first one, and then I made the second one with him.

Q. At what rate were commissions afterwards calculated? A. I cannot say that they were calculated at any particular rate at all.

Q. You just helped yourself? A. Whatever was necessary to pay out I charged part to commissions and part to organization expenses.

Q. You did not go on any percentage basis at all, just paid what you wanted? A. Not after the permanent meeting of the Board—

Q. But from the date of the agreement—A. No, they were just paid on account.

Q. And no one has ever checked over that commission account? A. No, sir.

Q. Did you give any of the Provisional Directors any interest in that 15%? A. No, sir.

MR. COMMISSIONER: What do you propose to do as to further evidence; what further evidence is it you propose to offer?

MR. HODGINS: There is Mr. Fielding's evidence to be taken and Mr. Warren's and Mr. Wilson's; those I have arranged with Mr. Hellmuth, if it suits you, for the 11th or 12th June. Mr. Warren will be able to get back by that time. Then there is the evidence of Dr. Beattie Nesbitt, and if we can get Wishart to come over, there will be his evidence. I think that will conclude the evidence. There is a witness that is to be here at two o'clock this afternoon.

MR. COMMISSIONER: I wish to add to what Mr. Hodgins has said. He has already intimated that upon the question of these deposits he has exhausted all the means of information that were available to him. If anybody has any information upon this subject, any witness to suggest, or any means of enquiry to open, communication should be had with Mr. Hodgins, and if there is any reasonable ground for incurring the expense, the persons named will be examined, and the direction of the enquiry followed out. I want nobody to say that this Commission closed without the fullest opportunity being given to everybody who has made accusations against anybody else to substantiate those accusations.

The Commission adjourned from 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M. May 31st, 1912.

WILLIAM F. MACLEAN, Sworn, Examined by—

MR. HODGINS: Q. You are the Managing Editor of the World Newspaper Company, or what is your position? A. No. I am the Vice-President.

Q. Of the World Printing Company? A. Of the World Newspaper Company, Limited.

Q. You have something to do with the other Departments? A. Yes.

Q. In fact you are editor in chief, are you not? A. I think so, yes.

Q. Mr. Greenwood, during 1907 had what position in the office? A. Managing Director, he had full charge.

Q. Had he full charge of the financial end of the business? A. Yes, everything.

Q. Had you any charge of the financial end of it? A. I assisted him, he was the recognized one and was there all the time and did all the work and I helped him along.

Q. Would it be unfair to say that the financial end of it required the assistance of both yourself and Mr. Greenwood? A. Often, yes; I helped him whenever I could.

Q. There was a need of money? A. Yes.

Q. Even money for wages? A. Yes, sir, often.

Q. What was your usual bank account, who did you deal with before 1907? A. Our account has been for several years in the Sterling Bank; before that it was in the Dominion Bank. We have done business with several banks in the city.

Q. When did you first apply to the Farmers Bank? A. I could not say; we discounted notes there on several occasions, quite a number.

Q. It would be a matter of discussion I should imagine between you and Greenwood as to opening up negotiations with a new bank? A. It might be, yes.

Q. Do you remember that it was? A. I know that Greenwood and I discussed that question and we went down to see the bank with some notes to discount.

Q. Why did you select the Farmers Bank? A. Probably we had to go there to get done what we had to do.

Q. You mean to say your own bank—A. Sometimes we could not discount paper in our own bank if our account was overdrawn, and it was often overdrawn.

Q. And you say that was the cause of going to the Farmers Bank? A. Yes, we needed the money and we had to discount the paper we had.

Q. Do you remember that as a matter of memory? A. Yes, I remember we wanted money and went down and got some.

Q. Did you know Travers? A. I made his acquaintance in the Bank through Greenwood.

Q. On this occasion do you mean? A. That is the first time I had met him.

Q. You had never met him before? A. I do not think it.

Q. Was Greenwood a friend of his? A. Yes.

Q. When was it you began dealing? A. About the time the bank opened business.

Q. It started first January, 1907? A. Well, I suppose almost immediately after it started we did some business with them.

Q. Flew at them at the outset? A. Probably.

Q. What sort of notes did you take? A. As far as I recollect customers' notes and some accommodation notes made by the World Newspaper Company and endorsed by myself and Mrs. Maclean, and perhaps by Greenwood, I am not sure as to that; I would think that was it.

Q. What had you people to do with F. W. Stair? A. F. W. Stair is the owner of the Star Theatre, and they had to do a lot of advertising, and in doing business with them we either got a cheque or note from them; we did not collect weekly, but always got $400 or $500; we either let their account run and got a note or took a cheque from them.

Q. You know Colonel Matheson? A. Yes.

Q. I see that on the 20th May, 1907, the Treasurer of Ontario began to deposit in the Farmers Bank amounts which ran through May and part of June till finally consolidated by a deposit receipt on the 14th June, 1907, of $10,000; what do you know about that transaction? A. I know very little about it.

Q. What little do you know? A. I may have heard Mr. Travers say to Greenwood or heard from Greenwood that he had been asked to put in a word with some one in the Provincial Government to get a deposit for the Farmers Bank.

MR. COMMISSIONER: Who is he; do you mean Greenwood? A. Yes, if I heard it from Greenwood it was that he had been asked by Travers or some one to put in a word to help him to get a deposit, saying that he was entitled to as much consideration as other banks.

Q. You think he began about the beginning of 1907? A. Yes, when the bank was started. What is the date of that Stair note that we put in?

Q. I will speak about that later, was that the beginning of your dealings? A. I would think that would be about then; yes, what is the date?

Q. The books do not tally with that; the books apparently give the Stair note as the 31st December, 1907? A. When did the bank open?

Q. The 2nd January, 1907, and the first deposit was the 20th May, 1907, by the Provincial Government. You see if you are right in fixing that date for the Stair note you could not have been dealing with them till the beginning of 1908? A. Why?

Q. Because that is the date of the note, December 31st, 1907? A. And the bank began when?

Q. The 2nd January, 1907?

MR. COMMISSIONER: Nearly a year before. A. Then we did business before that; we must have done business right after the bank opened.

Q. That is your recollection? A. Yes.

MR. COMMISSIONER: Where is the Bills Receivable book?

MR. CLARKSON: They have a liability ledger which is supposed to show all the discounts.

MR. HODGINS: You said you may have heard from Greenwood that he had been asked by Travers to put in a good word to get deposits? A. Yes.

Q. It would not be a mere casual remark, would it? A. That is all I knew of it.

Q. Did not you connect it in any way with your loan? A. No, sir.

Q. Or discounts? A. No; what we put in any time I was there, anything that I know was put in on its merits, either as customer's notes or our own paper. Any business with Travers I saw in the bank was a note taken down there, would he discount it. Sometimes he would not discount it; he either said if it was a customer's note he wanted a better one, or he had not the money.

Q. What had you to do with inducing the Provincial Treasurer to deposit? A. Nothing that I know of.

Q. Did you ever see him? A. Not that I know of.

Q. I would like to be sure about that? A. I never saw him about it.

Q. Did you know that Greenwood was seeing him about it? A. I cannot say but I have heard since about it, but I do not know that Greenwood went up to see him.

Q. The way it is put is this, that in consideration of your getting the deposit from the Provincial Treasurer and using your political influence for that purpose you got discounts or money from the Farmers Bank? A. We did not; I never did anything of the kind or promised to do anything of the kind.

Q. Did you see any one other than the Provincial Treasurer about it? A. No. Since that administration has been in office I have not seen the Premier more than three times; I do not think I have ever seen Colonel Matheson more than twice or had hardly any communication with any member of the Government.

Q. It is a bit of a puzzle, because this first $10,000 deposit begins in May and unless we find something earlier in the books your own dealings did not commence till the end of that year? A. Then if there is not anything in the books, you told me we discounted something there when the bank opened.

Q. I asked you how soon you began, and you said you thought soon after the bank opened? A. Yes, I cannot tell the date.

MR. COMMISSIONER: Is there any account of the World Printing Company in the book?

MR. CLARKSON: I have two, but they are of a later date.

MR. TRAVERS: A lot of those were casual discounts.

MR. COMMISSIONER: Where is that book?

MR. CLARKSON: It is in my office; I will send for it.

MR. HODGINS: Did Greenwood report to you the success he had in getting a deposit in accordance with Travers' request? A. No.

Q. He did not report that to you? A. No.

Q. Did you not ask him? A. I don't know that I did.

Q. What did you know about the deposit which resulted in the deposit receipt in June, 1907? A. I don't know anything about it.

Q. What do you know about the subsequent deposit receipt? A. I know nothing about it excepting that I have heard on the records of Parliament and in the newspapers.

Q. I mean what personal connection had you with the obtaining of the deposit for the Farmers Bank which resulted in the two deposit receipts of May, 1908? A. I know nothing except this document was circulated in an election.

Q. What is that? A. It is a query to the electors of North York: "What is your opinion of the Government who deliberately handed out $35,000 of your money to Dr. Beattie Nesbitt and Bill Maclean? If you disapprove, vote for J. M. Walton." I never got any money with Beattie Nesbitt. The same thing was on the records of Parliament, and nearly every meeting I went to, that is all I know of it.

Q. Will you look at that letter which Mr. Travers said he thinks he sent Colonel Matheson and Colonel Matheson denies having got it; just look at the statement and the date of the letter. (Exhibit 68, letter of June 18th, 1908). A. What about it?

Q. You see the statement made in there, connected with the World Newspaper? A. (Reads) "A few weeks ago I made some advances to the extent of $35,000 on the promise that $25,000 would be deposited by you, which was requested by the friends of Dr. Beattie Nesbitt and $10,000 at the request of the World newspaper". That is he said he made an advance of $10,000 at the request of the World newspaper.

Q. No, I take it that he made the advance of $35,000 on the promise that he would get $25,000 deposit through Dr. Beattie Nesbitt's and $10,000 through the World Newspaper Company's influence? A. (Continues reading letter): "You were good enough to put in $25,000 but this leaves my reserves still $10,000 reduced, and I would be glad if you could see your way clear in the matter to make a further deposit of this amount and greatly oblige".

Q. What do you know about the statement in that letter? A. I don't know anything about it.

Q. The amount as stated in that letter is exactly the same amount that is in this political circular? A. Yes, and it is always turning up.

Q. We have $25,000 deposit receipts issued in May, 1908; we have no $10,000 later than the date of this letter, but we have one prior. After the beginning of 1908, which was the second year of the bank's existence, did you make any efforts to get deposits for the Farmers Bank? A. No, sir.

Q. Did Mr. Greenwood? A. Not that I know of.

Q. Mr. Greenwood's letters have been put in, which, so far as we can tell from their dates, indicate that he was trying to get a deposit still (shows letters of Mr. Greenwood to Mr. Travers, Exhibit 69) you see there is no year on those letters, but they are dated June 20th and 21st; they bear dates a few days after that other letter, don't they? A. Yes.

Q. Evidently when Travers wrote that he thought he had some promise that through the influence of the World Newspaper Company he would get a deposit of ten thousand dollars, and if those letters are of 1908, it would show as though Greenwood was striving to get it from Col. Matheson? A. Yes.

Q. Do you know anything about those efforts of his? A. No.

Q. Nothing at all? A. No.

Q. Never discussed it with him? A. No.

Q. Did he not report that to you? A. I could not recall it.

Q. After that date, May and June, 1908, were not you borrowing from the bank, had not you after about a year's dealing, if your idea is correct, been getting a great deal into their debt? A. Yes.

Q. And you say that no suggestion, that in view of that or if you wanted further advances you must try and find a deposit for them? A. No, sir; any advance that was got we put up good endorsed paper and paid the interest, looked after it when it became due, made reductions, and if they were customer's paper whatever reduction was made was turned over to the bank with the renewal.

Q. Even taken that for granted, well endorsed paper is not money? A. No.

Q. Did you never meet with the difficulty with Travers that he would not advance the money because he had not got it, and you would have to get some one to make a deposit before he would do it? A. No.

Q. No doubt about that? A. No doubt about it.

Q. How often had you seen Travers? A. I could not say, several times. Any issue Travers ever raised was our paper good, and had he the money to discount it.

Q. Look at that letter, that is the only one I can find with any date on it, December 15th—could you say what year that was? A. No.

Q. Why do newspaper men never put the year on their letters? A. I do not know.

Q. That is probably December, 1907, but it looks as if you were getting money from him not upon good paper? A. This is a cheque.

EXHIBIT 75: Letter of witness to Mr. Travers, dated December 15th.

Q. That would not be discounting good paper, would it? A. I do not know —"Send in Thursday", that would mean to let it go into the bank it was drawn on and it would be met.

Q. That is cashing a cheque of the World Newspaper Company on some other bank? A. Yes.

Q. That could hardly be called turning in good paper? A. I have often cashed a cheque like that in the bank.

Q. Mr. Clarkson produces the Casual Loan Book, beginning on the 31st July, 1907; I do not find anything of the World Newspaper Company down to the 31st December, 1907. may I ask you, Mr. Travers, have you looked over this list here and can you say none of those are World discounts?

MR. TRAVERS: I find none has any connection only the one you spoke about, that is the one that starts in the ledger.

MR. HODGINS: What about the other ones before that?

MR. TRAVERS: They are all sundry people; that would be every note that goes through the bank.

MR. HODGINS: Do you find any name there that would indicate the World?

MR. TRAVERS: No. February 8th, 1907, is the first casual loan transaction.

MR. COMMISSIONER: By whom?

MR. TRAVERS: Not by the World Newspaper, and there is nothing in 1907, in the casual loans to the World.

MR. HODGINS: The casual loans in this book, page 389, begin on February 8th, 1907, and run down to July 31st, and in the other book which is before the Commissioner they start on July 31st, and go on down from that.

MR. COMMISSIONER: March 19th, 1908, W. H. Greenwood, there are several under the heading of Greenwood.

MR. HODGINS: Mr. Greenwood said he occasionally put notes of his own in.

MR. COMMISSIONER: Your inquiry seems to lead to the conclusion that there were no transactions until December, 1907.

MR. CLARKSONS: Yes, that is it. The books show December, 1907, as the first transaction.

MR. HODGINS: Was that the first transaction in any body's name?

MR. CLARKSON: So far as I can say? A. That is the Stair note, is it?

MR. HODGINS: Yes? A. This letter is in 1908 (Letter June 18th, 1908, Exhibit 68).

Q. That letter indicates that the ten thousand had been deposited; you cannot throw any light on that earliest deposit in 1907? A. No, sir.

Q. Was there any understanding between Travers and Greenwood or yourself by which either Greenwood or you were to solicit deposits for the Bank in consideration of obtaining a loan? A. Not the slightest.

Q. The fact is that loans were made to you? A. Yes.

Q. This letter, Exhibit 68, makes the definite statement that Travers was promised a deposit of ten thousand dollars at the request of the World Newspaper? A. Yes.

Q. That is in June, 1908? A. Yes.

Q. What can you say to that? A. I made no such request and I do not know of its being made.

Q. Was Greenwood able to run these things by himself without any reference to you, the financial part? A. Oh, yes; I was away most of the time.

Q. I do not think I have got very much information from you about any interviews with the Provincial Treasurer or any member of the government? A. No, sir.

Q. Have you disclosed all you know now about these deposits and the way in which the loans were made? A. So far as I know, yes.

Q. You cannot throw any more light on it? A. No, sir; as I say, I have not written a letter or been up to the government or asked for anything that I know of.

MR. COMMISSIONER: Would the books of the World Company show when you commenced to discount with the Farmers Bank, did you keep a bill book? A. Yes.

Q. Because according to the bank books all these deposit receipts were issued before you commenced to do business with the bank at all? A. Yes, I understand.

MR. HODGINS: That is the ten thousand dollar deposit receipt?

MR. COMMISSIONER: Yes, you are right, the first ten thousand dollars.

Q. Was there at any time any agreement or understanding that in consideration of you being accommodated by the bank you should use influence, direct or indirect, with the government to procure a deposit for the bank? A. There was not.

Q. Was there ever any understanding that in consideration of going easy with your account you should do what you could to get them a deposit? A. No, sir.

Q. If there was any effort made to get a deposit by Mr. Greenwood you say none was made by you? A. None was made by me.

Q. How did he come to do that, Mr. Greenwood, if he did, as apparently he did, use his endeavors to get deposits for the Farmers Bank, do you know why he did? A. He may have done it on account of his acquaintance with Mr. Travers.

Q. Did you ever hear, did you ever understand or suspect that there was any understanding between Greenwood and Travers or the bank that you should be accommodated in consideration—? A. There was no such understanding.

Q. I mean did you ever hear of such an understanding? A. No.

Q. Or suspect any such understanding existed? A. No; anything we did with the bank was on the merits of the proposition as it was suggested.

MR. HODGINS: You knew this was a bank which was just beginning? A. Yes.

Q. You knew it was not in good odor with the other banks? A. Yes.

Q. Did you ever make use of any pressure upon Travers to get a loan from him? A. Never.

Q. You are quite aware that any remarks or adverse criticism in your paper would affect the standing of a new bank? A. It might.

Q. Did you ever, directly or indirectly, suggest to Mr. Travers that it would be wise in his own interest to accommodate the World? A. No, nor for any other bank. Do you want to see the World books?

MR. HODGINS: I would like to see it owing to the dates.

WITNESS: I will look it up.

MR. HODGINS: Mr. Greenwood is not with you now?

WITNESS: No.

MR. HODGINS: If you would send me a copy of the account I think that would be sufficient.

GODFREY T. CLARKSON, Recalled:—

MR. HODGINS: In calculating the paid-up capital which the bank actually got you gave us $532,000, or, if the loss of the American Piano Company's was not counted, $552,000? A. That is it exactly.

Q. I want to ask you whether that amount actually came from the stockholders, irrespective of those two loans which were originally got from the Trusts & Guarantee Company amounting to one hundred thousand dollars? A. Yes. I put in a detailed statement showing the receipts from each and every stockholder.

MR. COMMISSIONER: Is that the same book? A. No, there is an absolute detailed statement showing dollar for dollar received from every stockholder; but included in the sixty-seven thousand are those items to which I took exception in my report.

MR. COMMISSIONER: It is hardly worth while putting all that in.

MR. HODGINS: You have the actual details showing that? A. Yes, the actual facts.

Q. It is not the case of the bank having $532,000 less this $100,000, but having the whole amount paid up in cash from the shareholders? A. Yes, the bank received actually from shareholders five hundred and thirty-two thousand dollars and twenty thousand more if you do not deduct that loss on the Tevis stock.

MR. COMMISSIONER: How would it be, if the World Newspaper Company would not object, to look at their bills payable and report to us what they show about that account?

MR. CLARKSON: I will do that.

MR. COMMISSIONER: If there are any entries there showing anything about this you had better have them here.

The Commission adjourned at 3 p.m. to meet in Ottawa, Monday, June 10th, 1912, at 11 a.m.

Certified correct, volume two.

E. NIELD, C.S.R.,

Official Reporter.

Ottawa, June 10th, 1912.

The Commission resumed its sittings in the Railway Committee Room of the Senate at 11 a.m.

PRESENT:

HON. SIR WM. MEREDITH, Commissioner.
FRANK E. HODGINS, K.C., and JOHN THOMPSON, K.C., representing the Dominion Government.

HON. W. S. FIELDING, Sworn, Examined by:—

MR. HODGINS: You were the Finance Minister in the late Government in 1906? A. Yes.

Q. And you had to do with issuing the certificate for the Farmers Bank? A. Yes.

Q. And you had some knowledge of the incorporation or rather the extension of the time within which the bank was to organize? A. Yes.

Q. And if I remember right you opposed the granting of the last renewal? A. Yes.

Q. Would I be right in saying that you succeeded in reducing the renewal to six months? A. I think that is a fair statement of the case, sir. I was myself indisposed to renew at all, but the feeling of the committee was strongly the other way and we finally compromised on a six months extension.

Q. There was a telegram which I saw from Mr. Lown; did you know Mr. Lown—he was one of the provisional directors? A. No, I have no recollection of any telegram from Mr. Lown.

Q. It was one I have been stating that the committee had, as I recollect it, turned you down in the matter? A. I am afraid that is substantially correct. I do not think there was a division on the question, but the sentiment of the committee was clearly in favor of giving them the extension; in that sense it would not be wrong to say the committee turned me down.

Q. Were you the only one that was opposing? A. I have no doubt there were some others in sympathy with me, but I cannot recall anybody who took any active part in opposing.

Q. Was your objection, do you recollect, based upon the fact that they had taken so long to get the stock taken up, that it was inadvisable to renew it, or had it anything to do with the personnel of the bank? A. It had nothing to do with the personnel. From the beginning I disliked, I do not think the word is too strong, I disliked the movement, because I was afraid a number of farmers were going into a business they did not like and undertaking responsibilities which they did not appreciate, and that was my reason; I did not wish that these people should be denied the privileges that were granted to other people, but when they came again that rather confirmed me in my own unfriendly view, it struck me they were not as strong as they should be.

MR. COMMISSIONER: You said a business they did not like? A. That they did not understand, I mean.

MR. HODGINS: Had you formed any opinion at all as to the probability that these gentlemen who were promoting it would be able to raise the necessary capital within six months? A. Not definitely; I thought perhaps when they wanted a year and only got six months it might make it a little harder for them, they would have to hurry up. I looked upon the application for a further extension as an evidence of weakness.

Q. The incorporators may have had a few farmers among them, but Mr. Lown was a barrister, and Dr. Ferguson a physician? A. It was generally talked about that they were seeking capital from farmers; that was common talk; and the name implies that.

Q. You said in the House that you always viewed the incorporation with anxiety? A. I did, because I understood it was an effort to get farmers, as the name implied, and I thought it was a line of business that probably they were not the best capable of going into.

Q. Were you aware that Mr. Calvert was in charge of the Bill? A. I remember at some stage that Mr. Calvert was present at the committee meeting, I cannot say whether he was in charge of the Bill or not, but I have some recollection, I think, of Mr. Calvert thinking I was rather hard on them in opposing their views. I have no particular recollection of him being in charge of the Bill.

Q. Had you any knowledge of the matter till the issuing of the certificate came up? A. No.

Q. They had got their extension and it was for them to make good, so to speak, or to come before you again? A. Not exactly come before me again; in the first stage they were coming before the committee; the next stage they would come before me as Minister.

Q. In the interim you had heard some gossip, I understand, in banking circles before the question of the certificate came up at all? A. I do not recollect of hearing anything with regard to this particular bank. For the last year or two before that bankers were saying that these movements for the organization of new banks very often took the form of getting capital through notes; it was a general conversation as to the tendency of the movements for new banks, gossip of that character was current; I do not recollect of hearing anything particular as to the proceedings of this bank in that way. There was something came up later on in correspondence, of which the record speaks.

Q. Was it that general gossip that was in your mind when dealing with the certificate? A. My mind from the beginning was suspicious; my mind was rather unfriendly to the movement from the beginning; that kind of gossip might emphasize it a little, but from the inception of the movement I looked upon it with a little anxiety.

Q. When the matter first came before your attention as Minister with regard to the certificate, had there been any suggestion by way of gossip or otherwise about this particular incorporation? A. I cannot recall any, sir.

Q. The reason I ask you that is that in answer to a question by Mr. Foster in the House, I see in the debate you are quoted by Mr. Henderson as having stated as follows: "There was some gossip in bank circles concerning the Farmers Bank of which we became aware"? A. That would be in line with what I have already said; the bankers generally were unfriendly with the movement, regarding it not as a strong movement. There would be gossip of that character among the principal bankers.

Q. Mr. Henderson thought that your answer indicated that he was one of those who had been retailing gossip, and you said no, you had not that in mind. The answer you made there was, "That there was some gossip in banking circles concerning the Farmers Bank of which we became aware. I do not see how we can take cognizance of that. There is an answer as to any representation that was made in the proper way. There was gossip abroad concerning the Farmers bank; I was well aware of it". Mr. Henderson then went on to say he supposed you included him among those retailing gossip. When did you first become aware that the certificate was being applied for to the Finance Department? A. The record will show that; I think they deposited their money—which, although not a formal application, is an indication they are applying—they deposited their money

a month or so before obtaining the certificate, but they did not at the same time make a formal application; that came later. The records will show that.

Q. The deposit, if my memory serves me right, was on the 23rd October and they had a month? A. Yes, it was some time before.

Q. About the 26th November was the meeting, and the 30th was the day on which the certificate issued? A. I think that is correct.

Q. Would that application come before you personally in the first instance or how? A. Very likely the Deputy would bring it to my notice immediately; these things would be matters of routine in the Department, but any matters of importance the Deputy would usually call my attention to, and he probably did so.

Q. The payment of the money would of course come to him first, a notice of that? A. Yes.

Q. And then any formal application that was made would come to him first? A. Yes.

Q. Would you hear that the money had been deposited or would he bring it to your notice when the application was made? A. It is quite likely he did before, although I have no distinct recollection of that; he would probably mention it, knowing from the beginning I was anxious about the bank; I have no distinct recollection, but I think it is quite altogether likely he did.

Q. At any rate, no action would be taken by you until the formal application for the certificate came in? A. No.

Q. The treasury board consisted in those days of how many? A. I think there were five, if my memory serves me.

Q. My recollection of Mr. Boville's evidence is that it was five and the Finance Minister? A. I would leave that for the records to speak.

Q. Do you remember what the requirement was at that time? A. I think we did business with three; when that was originally established I do not know, but business was frequently done for years in the Treasury Board with three.

Q. Under the Act I think the duty is cast on the Treasury Board itself and not on the Minister of Finance individually? A. That is true, though naturally he would have chief responsibility and his colleagues would look to him largely for advice and guidance.

Q. In section 15 it says: "No certificate shall be given by the Treasury Board until it has been shown to the satisfaction of the Board, by affidavit or otherwise, that all the requirements of this Act and of any special act of incorporation of the bank as to payment required to be made to the Ministers, the election of directors, deposits for security for note issue or any other preliminaries shall have been complied with"? A. Yes, that is correct.

Q. What was the practice of the Department at that time, the duty being cast upon the Treasury Board, as a Board, of bringing it to their notice? A. We would naturally look to their precedents as to the form and method followed in previous cases; the bank established its good faith and we would see whatever was done in previous cases was done in this case; that would be a matter of routine which we would count on the Deputy doing and bringing to our notice.

Q. Would the Deputy, who then was Mr. Boville, have to ascertain that the preliminaries had been all complied with? A. By the examination of the papers, yes.

Q. Which would then come to you? A. Yes.

Q. And from you to the Treasury Board? A. Yes.

Q. Had the practice been to require any evidence of any particular kind? A. I think all the evidence that was ever required in any previous case was required and taken in this, and indeed I am informed and believe, although I could not give you the date, that there have been cases, one case at least, in which on similar evidence, but without any affidavit whatever, the bank certificate was granted; I think it will be found; but that is a matter to which Mr. Boville can

speak better than I; but I think every precaution taken in any previous case was taken in the case of the Farmers Bank.

Q. During your continuance of office as Finance Minister, what was the practice that had been followed? A. The same, the Deputy would bring the papers before us; if there was any question of legal procedure, as a matter of safety he would refer to the Department of Justice and obtain the advice of the Department of Justice.

Q. That would all be done before it would come before you? A. I might be away, or the Deputy might tell me what was going on, but that would be his duty and bring the papers before me; probably during the process of that he would bring the matter before me.

Q. When you speak of another case when an affidavit was not required, are you speaking of during your time? A. No, but in looking into the matter I was informed in the Department that there was one case in which the certificate was issued without any sworn statement at all. I do not say that to find any fault, merely as showing that the precedents were, in our case, fully lived up to and more.

Q. During your regime as Minister of Finance another method was adopted? A. I think we required the affidavit, but there again I would have to leave the records and the Deputy to speak of that; I could not speak with positiveness.

Q. You had an interview with Mr. Travers? A. Yes.

Q. Up to that time, what knowledge had you of the preliminaries? A. I do not understand what you mean by the preliminaries.

Q. The matters which the Department required to be done? A. I think the Deputy Minister informed me that Mr. Travers had been in to see him, but I was very much engaged with the Budget and could not see him, and the next day, I think it was, I told the Deputy I would arrange to see Mr. Travers. Up to that time, although Mr. Boville was probably talking to me about the matter, there was no formal action taken by me.

Q. Your Budget speech was delivered on the 29th November, as Mr. Boville, I think, mentioned; I suppose that is a very busy time with the Finance Minister? A. Yes.

Q. And it practically excludes all other business? A. Yes.

Q. The declaration that Mr. Travers sent to the Department with all the other papers was made in Toronto on the 27th November, 1906, and it reached the Department, say, on the 28th; that appears to be the date, the 28th, at which the papers were submitted to Mr. Newcombe, the Deputy Minister of Justice, and his reply is on the same date. Did that precede your knowledge of the matter, you being engaged on the 29th? A. Mr. Boville may have mentioned to me that matter; it would not engage my attention; he may have mentioned the matter was in that shape, but certainly I would not give it any attention at that time.

Q. According to Mr. Travers' evidence, he appears to have seen you three times? A. Will you kindly read where he says that? I have no recollection of ever having seen Mr. Travers three times; I think there must have been a mistake there.

Q. He says once on one day and twice on another, whether it was once the first day or twice the first day he does not remember? A. Well, never mind your statement of the substance is quite sufficient. My recollection is I saw Mr. Travers only once.

Q. That is what I would like to clear up? A. I think no doubt he was to the Department before that and saw some of my officials, but I am pretty clear in my recollection that I saw Mr. Travers only once and that was the 30th November, and that was the date the certificate was issued.

Q. I will find just what Mr. Travers says about that. In one of these interviews he said that you discussed with him quite a number of the subscriptions? A. That is not correct. I think probably Mr. Travers may be confusing conversa-

tions he had with Mr. Boville or some officer in the Department. I assume Mr. Travers meant to be correct, but certainly he is mistaken with regard to such conversations with me.

Q. This is what Mr. Travers says at page 501: "Q. You went down to Ottawa, you say you had three interviews with the Minister—could you tell us about one—you were introduced by Mr. Calvert on the first occasion? A. Yes" —would that be the interview you recollect? A. The only interview to the best of my knowledge that I ever had with Mr. Travers was when he came to the office on that day, the day on which the certificate was issued. I had forgotten that incident until it was referred to in Parliament. I see it states that Mr. Calvert introduced me. I had at first forgotten that and on first blush would have said no; but I remember now that Mr. Calvert did come to the office and said "I would like to introduce Mr. Travers". That was the only interview I had with Mr. Travers.

MR. COMMISSIONER: Then at the bottom of page 438 and page 439.

MR. HODGINS: At all events you saw him you think only once? A. Yes.

Q. Was that on the occasion that Mr. Calvert introduced him? A. Yes, I only saw him once, and as Mr. Calvert did introduce him that must have been the occasion.

Q. Was that the day he got his certificate? A. Yes.

Q. What time of day was it? A. It would be about mid-day, I had written to Mr. Travers, having learned that he was inquiring the day before and wanted to see me, I had dictated a letter to Mr. Travers arranging to meet him that day; I think probably the letter had not been delivered and while the matter was in that state Mr. Travers came into the office; it must have been close up to mid-day, one o'clock.

Q. Had any action been taken by the Treasury Board at that time? A. No.

Q. Any action taken by you towards deciding on the matter? A. No; the matter had been the subject of discussion between the Deputy Minister and myself from time to time; there had been no definite action taken.

Q. But on the assumption that your Budget speech was delivered on the 29th and this certificate was granted on the 30th, you saw Mr. Travers you say on the 30th at about noon? A. Yes.

Q. Could you tell at all what had taken place between the Deputy Minister and yourself prior to that?? A. We had had conversations over the matter and he had brought the papers to my notice. I think Mr. Boville would probably keep me informed from time to time as to what was going on, but I had taken no definite action up to that moment.

Q. You think you had written a letter to Mr. Travers which had not I suppose been delivered? A. I think the records will show the letter was dated that day; I am not sure it had gone out of the office; I know I dictated the letter because I afterwards told Mr. Travers in the conversation that a letter was going to him and I would be glad if he would give me a written reply. I think before that letter had reached him Mr. Travers came to my office and the interview took place.

Q. Did you give him the letter then and there? A. No, I don't think I did, I think the letter was in the hands of the Department and would probably be sent to him. I do not think I delivered it to him, I have no distinct recollection of that, but I told him there was a letter and it had better go to him and I had better have a reply.

Q. Here is the quotation I wanted to give you on page 412 and page 413; he says he had seen Mr. Boville and at that time Mr. Fielding was preparing his Budget:—

"Q. When did you finally see the Finance Minister? A. I saw him two or three times.

"Notwithstanding the preparation for the budget? A. Later on in the week, not in the early part.

"Q. On one day or more than one day? A. I think I saw him twice in one day, I am not sure".

A. Anything further as to why he called twice, any explanation?

Q. I will read what he says: "Q. That is all you saw him, was it not, just a couple of times? A. My recollection is I saw him three times.

"Q. On the same day? A. No, twice on one day and once on another day.

"Q. Once on the following day to the two interviews? A. Yes, I saw him one day once and the second day twice, or the first day twice and the second day once; I cannot remember exactly.

"Q. Would your statement to Mr. Hunter be right that you got your certificate in twenty minutes? A. After I had satisfied Mr. Fielding, the last interview lasted about twenty minutes when he gave orders for my certificate to be issued.

"Q. That was the last interview? A. Yes.

"Q. After you delivered your letter to him in reply to his? A. I followed the letter; I sent it over by messenger.

"Q. After you had delivered your letter to him in response to his? A. Yes.

"Your interview lasted twenty minutes? A. I would say about that.

"Q. And at the end of that time you got your certificate? A. Yes".

WITNESS: That would not be correct, he could not have got the certificate in that way and in that manner; he could not have got his certificate till later in the afternoon, after the Treasury Board had dealt with the matter. He has been confusing the interviews he had with some of the officials; to the best of my knowledge and belief I had only the one interview with Mr. Travers.

Q. You see from what I read that he is definite? A. The only explanation I can give is confusing interviews he may have had with my officials and not drawing the line sharply as he should between the Minister and others he met. I certainly never had three interviews with Mr. Travers.

Q. Your recollection is that there was an interview about noon on the 30th? Yes, and probably about noon, certainly somewhere along before lunch, because in my letter I said I would see him before lunch or later in the afternoon at the House of Commons.

Q. Your letter had been dictated or written? A. Yes.

Q. Was it one of your own dictation? A. I dictated my own letter.

Q. And your recollection would be that he saw you then and you mentioned the fact of the letter and discussed whatever was discussed with him? A. Yes.

Q. On that interview? A. Yes.

Q. And then did he go away to answer your letter? A. I think so. I said "You will get the letter and you had better send an answer to it".

Q. When you got his answer, up to that time you had not ordered the issue of the certificate? A. No, I had no right to order the issue of the certificate; the Treasury Board would only have the right to order.

Q. Nothing had been done? A. No, nothing had been done.

Q. Have you any recollection of his coming with the letter? A. I have no recollection; I do not think I ever saw Mr. Travers again on the subject. He may have handed the letter in at the door.

Q. On the receipt of his letter what was done? A. That letter with other papers would be brought in a general way to the notice of the Treasury Board, which occurred that afternoon.

Q. Your letter to Mr. Travers makes mention of the time, it is dated November 30th, perhaps you would like to read it? A. I am familiar with it, but I have no objection.

"Q. Dear Sir: I regret that owing to pressing engagements yesterday, arising out of the Budget I was unable to meet you to consider your application for the issue of a certificate to authorize the Farmers Bank of Canada to com-

mence business. I shall be glad to see you to-day at my office at any time before 1 o'clock if you can call. Or I might be able to see you later between four and five at the House of Commons if that would be more convenient". A. That is correct.

Q. At page 439 he says: "Mr. Fielding discussed the subscribers' list with me.

"Q. What names did he mention? A. He mentioned those Laidlaw names and he mentioned some others that somebody had been kind enough to call his attention to, and I told him that there was no provision in the Bank Act to take those names off the list until after the bank had organized, but that we had sufficient over and above that.

"Q. What were the others he referred to? A. I cannot say exactly which ones they were; if I remember rightly it was Smith and Davidson of Flint, and Hon. Samuel Merner."

"Q. How much was that? A. $5,000."

"Q. That would be fifteen thousand more? A. Then Hon. Mr. Forget, that is $5,000; and then A. H. Hoover's $5,000 more; and he spoke about Lindsay's $50,000, but he made no objection to it; that is my recollection of it."

"Q. Was that at one of the interviews with him? A. Yes."

"Q. On the first day? A. I think it was immediately after Mr. Calvert introduced me to him."

"Q. That was the first interview? A. I think that was the first interview we had; I am not sure about that though."

"Q. Then you think somebody had been telling him about the difficulties regarding the list"? A. There was no doubt about it that he had been communicated with or been spoken to by numerous people."

WITNESS: Mr. Travers is entirely mistaken. It is not unlikely that my Deputy, Mr. Boville, in his interviews would raise those questions. I certainly did not have that conversation with Mr. Travers.

Q. You remember, perhaps, you know at all events who the Laidlaw subscriptions referred to? A. I do not remember anything particular about a Laidlaw subscription; I know Mr. Laidlaw's name figured in the matter somewhat later, but I have no distinct recollection of discussing with anybody Mr. Laidlaw's subscription.

Q. It was not Mr. Laidlaw's subscription but I was asking you if you understood what was referred to as the Laidlaw subscriptions? A. Not clearly now.

Q. They were subscriptions taken in the County of Halton from persons who afterwards retained Mr. Laidlaw to get their names off the list, and Mr. Travers settled with Mr. Laidlaw's clients and got his action dismissed, and it is those he referred to as being still on the list and he mentioned to you that there was no provision in the Bank Act to take them off the list? A. Certainly I would not open up any such conversation with Mr. Travers and I have no recollection of doing so. He may have discussed it with Mr. Boville. I certainly did not have any such discussion with him. I did not open up the discussion of these names and I have no recollection of these names in particular.

Q. Hon. Mr. Forget is a name you would recollect? A. Yes, I would remember that, because he is a gentleman well known, and I personally did not mention Mr. Forget's name to Mr. Travers.

Q. What about Hon. Samuel Merner? A. I am quite sure I did not raise any question with Mr. Travers as to any of these gentlemen.

Q. What did take place at the interview at which he was introduced by Mr. Calvert? A. The view I expressed to Mr. Travers at the interview was the same as I had expressed in my letter that there was sometimes gossip as to the method and the manner in which these banks were organized, and I was anxious to see—I was undisguisedly hostile to the organization of the bank from the beginning, and

I rather think Mr. Travers knew it—and I wanted him to feel we were anxious about the matter and anxious to see that the law was complied with in every respect.

Q. When you said in your letter, "It has been represented to us that in some previous instances where an application was in all respects apparently regular, there was actually an evasion of the intention of the Bank Act in relation to the paid up capital", were you referring to anything in connection with the Farmers Bank or to the rumors or gossip with regard to other and previous applications? A. It was to the general rumors at that time.

Q. Were you aware at that time of anything concerning the Farmers Bank individually? A. Representations had been made touching matters of that kind from Mr. Leighton McCarthy, and that letter having been withdrawn and the papers returned to him I treated it as out of the case altogether.

Q. You had been made aware of that? A. In a general way, the papers that Mr. McCarthy sent in were brought to my notice, I do not think I ever went through them in detail; they were brought to my notice by the Deputy Minister and I was aware that objections were raised by Mr. McCarthy and that they were withdrawn and as to the details of these objections I did not have them clearly in my mind.

Q. Had you in your mind that that point that you deal with in your letter as having been brought to your notice in previous instances actually existed according to the records of the office in this instance? A. I had not that in mind at the moment; I was wanting to be assured generally that everything was right; I was not having in my mind that particular instance in Mr. McCarthy's letter.

Q. Would it be fair to say you dismissed that from your mind? A. Yes. Mr. McCarthy having raised objections and withdrawn them and having the papers sent back I would largely dismiss that from my mind; I would still be aware of the fact that objections had been filed.

Q. Would they have prompted this letter? A. No, I think not; the letter was prompted from my attitude from the beginning; I was more anxious about it than I had been about any other bank.

Q. Was Mr. Boville aware of your views on the matter? A. Yes.

Q. Was the discussion between you and Mr. Travers confined to this general question or to the particular instance? A. I cannot recollect the details of the discussion, but it would be as to the bona fides and as to the ability of his subscribers to go on, and whether the whole thing was in good faith. My discussion was probably in the nature of a doubt of the whole business and wanting to be re-assured.

Q. Had you the Departmental file, containing his application and declaration and prospectus and so on before you? A. I had them before me.

Q. At that interview? A. I am not sure whether at that moment, very likely I had them on my desk; I do not recall that I had them all before me.

Q. You think you did not discuss then any of the subscribers at all? A. Individually?

Q. Yes? A. No. I have no recollection and I think I can safely say I did not.

Q. The question I suppose of the subscriptions would that be in your mind or would it be rather whether the subscriptions had been paid up in cash or not? A. I had not any particular transaction with the Farmers Bank in my mind; what I had was a general fear that the bank was not strong, and a regret that these people were going into it, and an anxiety to be assured that all was right.

Q. Did you see Mr. McCarthy's letter withdrawing the charges? A. I think likely I did; if I did not I was certainly told of it; I probably saw it.

Q. It of course does not say that the matters set up in the action were incorrect, it simply says that his clients had been settled with? A. He said he withdrew his objections and asked to have the papers sent back.

Q. They might have been withdrawn and yet the fact might have remained that the charges he made were true, that he was dropping out of it because his

clients got their money back? A. He says more than dropping out of it; he said he withdrew the objection and asked to have the papers returned to him.

Q. You ask in this letter, I suppose you asked Mr. Travers verbally as well during the interview, for an assurance that nothing of the kind had taken place in relation to the subscriptions for the Farmers Bank, that is in some cases the subscribers did not actually pay in cash but gave notes to the provisional directors which were used to raise money? A. I have no doubt I did so ask him, although I have no distinct recollection of the conversation, that was its general line.

Q. Was the direction as to the issue of the certificates given in response to his letter which reached you later? A. Nothing was done in response to his letter; the matter was taken to the Treasury Board; no directions were given until after that.

Q. Until after his answer was received? A. No, his answer was received and I think his answer was received quickly.

Q. Mr. Guthrie placed that at about 4 or 4.30 in the afternoon? A. No, I think that must be a mistake.

Q. He says Mr. Travers came in there, and his recollection was that the letter he brought from you, was, as he expressed it, not from the files, indicating it had just been received and been brought over there and he left Mr. Travers dictating it? A. That Mr. Travers had received it about 4 o'clock in the afternoon?

Q. That he brought it into the office at about four o'clock? A. The letter must have been written some time in the morning, because I was making an appointment with Mr. Travers that he would come to me about noon, but I think it had not been delivered; I think Mr. Travers said he had not received it at that particular moment and I think I said he had better forward a reply. I cannot say the time the reply came, I do not know that it would have been vital because I had his declaration, but I thought that I had better have the letter.

Q. Did you bring the matter to the Treasury Board on the receipt of the letter? A. I brought it that afternoon.

Q. You have a recollection of that? A. I would like to say under ordinary circumstances the Treasury Board meets at the office of the Minister of Finance, but in times of pressure which come very often, especially during a Parliamentary session, it is found exceedingly difficult and sometimes impossible to get the members of the Treasury Board together at the desired time, and that leads to meetings being held in a less formal manner, sometimes in the anteroom of the Council Chamber, sometimes in the office of the Minister of Finance at the House of Commons, wherever you can get a quorum to do business. My recollection is this meeting was held in the anteroom of the Council Chamber that afternoon somewhere about three o'clock, just when the Council would be separating to go to the House, at all events in the interim between two and three when we usually collect in Council meetings and very often we would hold a meeting of the Treasury Board. My recollection is that meeting was held in the ante-room of the Council Chamber and it would be somewhere about three o'clock.

Q. In that case would the minutes be sent around to be initialled? A. No, my impression is three Ministers sat down and discussed the matter; I reported to them the history of it and it was agreed that there was no reason why the certificate should not issue.

Q. How do you account then for the minute bearing the initials of yourself, Sir Richard Cartwright and Mr. Brodeur? A. Because the Secretary was not present and we put those initials on to indicate we had dealt with the matter.

Q. Was that done at the time? A. Yes. I was not aware that the initials were on, but that is what would naturally be done; if we held a meeting at which the secretary was not present, that very often has to happen, we would put the initials of the members who were present in order that there might be a record of it.

Q. The minute would be prepared I should think after the meeting, it would not be prepared in advance of the meeting? A. It might be, it is quite probable,

yes. Measures for the action of the Treasury Board are brought forward in that shape often; it is quite possible.

Q. Do you think that this minute which bears the initials of three Ministers would have been prepared before the Treasury Board met? A. The initials would not be on; it might have been prepared by my direction, but the initials would not be on till the members of the Treasury Board had discussed the matter.

Q. Would it be before them at the meeting, would they then initial it? A. Yes, it would be initialled at the meeting.

Q. I understood from the evidence of Mr. Boville that that was a method adopted when no meeting was held, but when a matter had to be dealt with and it was initialled by you and then sent around to a couple of the others? A. That would also be done in some cases, but my recollection is in this case the three Ministers discussed the subject briefly. I think they were aware from time to time in a very general way of the fact that the Farmers Bank was proceeding to be organized, it was a matter of common knowledge, so it was not a matter which would be entirely new to them, although neither of them had given any special attention to it.

Q. Your recollection differs from Mr. Boville's if I am right in what I think he said, you think there was an actual meeting? A. Yes, I think there was a meeting; I do not like to speak too positively about a matter which took place six years ago, but my impression is that that matter would be taken up, it would be at a meeting probably held in the ante-room and Mr. Boville would not be present and he would not know how it would be done—get a meeting while the Council was waiting or after the meeting had broken up, and that is my impression that that is the way that happened.

Q. Mr. Boville was not present, and you I suppose would communicate to them whatever you knew? A. Yes.

Q. What did you communicate to the Treasury Board? A. I can only speak from general recollection—I would inform them—I did not treat this differently from other matters of business—I would inform them as to the facts of the case and if they wanted further explanation I should give it. I would tell them the objections had been filed and those objections had been withdrawn.

Q. Just in a general way? A. Yes, if they wanted the papers I would probably have had them there, but they would not go through them in detail perhaps.

Q. I suppose it is pretty hard to remember at this length of time, but do you remember that there was any question raised, or what you actually said to the Treasury Board? A. No, there was never any question raised by anybody as to the propriety of issuing the certificate to the Farmers Bank; if you leave aside Mr. McCarthy's letter which was withdrawn, and the letter of Sir Edward Clouston, which arrived the day after the certificate was issued, if you eliminate those, never from beginning to end or at any stage was any objection raised to the issue of the certificate of the Farmers Bank.

Q. Are you speaking now from the records? A. From my knowledge.

Q. From your knowledge of the records? A. No, I am speaking from general recollection, but if there are any records to the contrary I will bow to them, but I do not think there are.

Q. This is an extract which Mr. Boville produced which is signed by him, and which bears the initials upon it? A. What would probably happen is that, as I was advising the issue of the certificate, that that would be prepared and I would take it to the Board and they would initial it and would send it back to Mr. Boville and he would sign it; that is the ordinary way of business.

Q. That would be done all in a short space of time, your interview with Mr. Travers about noon and the meeting of the Treasury Board about three? A. Yes; once we made up our minds that the thing should go through, why of course I would desire to expedite it.

Q. Does Mr. Boville make a written report to you on matters connected with an application of this kind, was that his duty? A. No.

Q. Why not? A. It has never been done as far as my knowledge goes, I have no recollection of it; if in any particular I would want a written report from Mr. Boville he would give it, but as a matter of routine he would not make a written report on that.

Q. Somebody would want to go through the files and take the responsibility of saying what the record really showed before an action like this would be taken? A. That would be the business of the Deputy to bring it before me, not by a written report. I am not aware of any written report usually made by the Deputy.

Q. Do you insist upon the Deputy Minister of Justice reporting upon these matters? A. You cannot insist upon it being done, it is desirable. We always felt whenever any question of law might arise at all it was well to have the Minister of Justice behind us. We usually had a law officer in the Department, but even then we always thought it wise in matters of importance to make reference to the Minister of Justice.

Q. That would indicate there was the practice in your Department it would be done? A. Yes, I should say so.

Q. Would it be fair to say that the Deputy Minister was bound to see that the application was in all respects regular, and that the Department of Justice approved of it before it would come to you for official action? A. Yes, but in the meantime the Deputy would be probably telling me what was going on, probably from day to day I would hear what was going on, and he would tell me, "I have these papers and I am sending them to the Department of Justice". If he did not scan the papers carefully there would be no one in the Department that really would take the responsibility of saying "I have gone through everything, I have investigated everything and I report that the formalities required by the Department have been gone through"? A. That would be his business.

Q. That would be his business? A. Yes, not by a written report, but it would be his business to examine all the papers and report the results to me. Of course the responsibility would be mine, not his; I am not putting any responsibility upon him.

Q. After the Treasury Board had met and that minute had been initialled, did you see Mr. Travers? A. No.

Q. Not at all? A. No.

Q. Who would conduct the subsequent negotiations, or business with him? A. The Deputy Minister.

Q. Who had power to sign the cheque which returned the deposit? A. The Deputy Minister.

Q. The fact appears that the very thing that you dealt with in your letter to him of November 30th, had taken place; you were, of course, not aware of that. Did you notice, or did any one notice that when his letter came back it did not deal with the point that you had raised, namely, that the notes had been used to raise the money, that he limits his answer to the fact that the provisional directors did not do that? A. I do not think I took particular notice of the point; I do not recall it.

Q. Was that letter received by Mr. Boville and by him transmitted to you, or did you get it and personally deal with it? A. I could not say from memory; I am sure it came before me.

Q. You had, of course, a very distinct affidavit from him that the money that had been paid in had been paid in by these individual subscribers; in his declaration he states that? A. Yes.

Q. Was any doubt suggested to you by anybody as to the truth of that? A. No, it was my general anxiety about the whole business that led me to talk to Mr. Travers about it and write him the letter. It was not the result of any particular statement or any particular doubt as to any particular thing.

Q. Apparently it was the declaration that was submitted to the Department of Justice and that they had acted upon in advising? A. Yes.

Q. And that was sufficient for that; what was the object of getting that letter dealing with the same point if there was no suspicion? A. The affidavit ought to be the stronger document. I can only say as I said before, that my anxiety about the whole business made me anxious to have the assurance doubly sure, even with the affidavit before me, and I said to Mr. Travers as I had written this letter he had better reply to it.

Q. It would seem natural, I should say, that there would be some discussion with regard to the subscriptions which were upon that list as to whether they were or were not *bona fide*? A. Not as to detail with me.

Q. For instance, he refers particularly to the Lindsay subscription which is a very large one? A. I never discussed it with Mr. Travers. My Deputy may have done so; my discussion with Mr. Travers was very general as to the *bona fides* of the whole thing.

Q. Did Travers resent at all the facts that the affidavit was not accepted as truthful? A. I do not think so; he was coming to me practically to get the certificate, and I suppose he recognized I had the right to question him about it; I do not think he showed any resentment.

Q. You did not, of course, put it to him in the way of indicating that you doubted his declaration? A. No, it would be rather an unpleasant way to put it to him and I would not do it.

Q. I suppose you did doubt it? A. No; it is hardly fair to say I doubted; I was anxious and I felt that if I could get any further assurance which would help to make my mind better satisfied.

Q. It appears from the documents sent down by Mr. McCarthy that the charge was made—a letter written to yourself—that the deposit had been made or will be made of the cash received and the proceeds of these notes, or sufficient amount to make up $250,000—that statement had been made in a letter to you of October 19th; I suppose you saw that letter, it was addressed to yourself? A. I have no doubt I saw it, or at all events its contents would be communicated to me.

Q. Do you know Mr. McCarthy? A. Yes.

Q. He was a long time a member of the House? A. Yes.

Q. Do you remember getting a telegram from him? A. Yes, I think the records show it.

Q. Asking for an appointment, that he would come down? A. Yes.

Q. Notwithstanding the fact that his clients had been settled with, it might still be the case that these notes might have been used in the way he said they had been used; did that phase of it occur to your mind at all? A. No; when Mr. McCarthy wrote to withdraw his objection and asked to have the papers returned I confess I dismissed the McCarthy incident from my mind. It ceased to make any effect upon me.

Q. He claims that these certain subscribers had been unfairly dealt with and he also goes on to allege the very thing which your mind apparently on the date the certificate was issued was troubled about; looking back on it, don't you think some inquiry ought to have been made on that point, notwithstanding his withdrawal? A. I suppose we can all be wise after the event; looking back over it now, yes; but as I did it at that time, no. Mr. McCarthy having withdrawn his objections and asked for the papers back, and we having the affidavit of Mr. Travers, I think in the face of all that, the evidence was complete, as complete as in any previous case.

Q. Mr. McCarthy did not see you at any time? A. No, I never saw Mr. McCarthy on the subject at any time.

Q. Previous to Mr. McCarthy's letter had you seen and had a discussion with Mr. David Henderson, who was Member of Parliament for Halton? A. With regard to the issue of the certificate, never.

Q. Not with regard to the issue of the certificate? A. Never.

Q. Mr. Henderson says that he saw one of these very notes which had been given for stock in the hands of a lawyer who had got it back from Travers, says he saw it in the train, and Parliament meeting shortly after that in November he came down; that he spoke to you about it? A. If Mr. Henderson implies that he ever said anything to me about raising any objection to the issue of the certificate he is mistaken. I had several conversations which Mr. Henderson from time to time about the Farmers Bank but not along the lines thus referred to.

Q. At page 10 he says, "I was shown several notes made by shareholders, farmers in my County, and I saw on the back of these notes the endorsement of the provisional directors". Then on page 11:

"Q. What communication did you make then and to whom in consequence of what you saw and heard from Mr. Laidlaw? A. I casually met Mr. Fielding and informed him that I had seen notes of shareholders in the possession of Mr. Laidlaw, endorsed by provisional directors, and presumably it was for the purpose of raising money to make the deposits, as the time had nearly expired. Our conversation lasted only for a few minutes and was along that line.

"Q. Can you give us in any more detail what was said by you and by him, or is what you have told us the general tenor of it? A. By Mr. Fielding?

"Q. Yes? A. I mentioned the circumstance which I have detailed to you, and Mr. Fielding I think seemed somewhat surprised, at any rate he answered me by saying that he would hold back the certificate as long as he could"? A. Mr. Henderson is mistaken as to the tenor of my conversations with him from time to time.

Q. As to that particular one, he got down there with his mind full of having seen the notes? A. I am quite satisfied Mr. Henderson is mistaken; not as to having seen the notes, but I am quite satisfied he is mistaken as to the tenor of the conversation with me.

MR. COMMISSIONER: Do you desire to say what the general tenor was? A. Yes, not merely of that conversation, but generally. Mr. Henderson was a very attentive member of the Banking and Commerce Committee, and when there was no party questions up, he and I generally agreed and talked very freely about business that came before the Committee. We met outside in a casual way. Mr. Henderson was aware that I looked upon this Farmers Bank in its later stages of incorporation with doubt and hesitation and that I was opposing it, and occasionally when we met we talked on the matter on several occasions and usually in and about the Parliament Buildings, or meetings, and on one or two occasions we had conversations about the Farmers Bank; it was always on that line that I was expressing my regret that a number of farmers were going into this enterprise for which I thought they were not particularly well qualified, and the responsibility with which they were not familiar, and I thought it was a great pity. I talked with Mr. Henderson from the fact of our having a habit of chatting about different matters; and I learned that some of Mr. Henderson's constituents were taking stock in the bank—there was no question of the *bona fides* of the notes—and I expressed my regret at their doing so. Mr. Henderson, apart from raising any objections, said he quite agreed with me it was a pity they were doing it, but it would never do for him to interfere; he was not going to put himself in the position of obstructing these people in getting their bank organized; that was the line of the conversation between Mr. Henderson and myself.

Q. Would you say the conversation which Mr. Henderson relates, when he came down to Ottawa, having a few days before seen this note, did not occur? A. I think, sir, that my own feelings towards the bank were such that if Mr.

Henderson or anybody else had given me any tangible information to justify the refusal of that certificate, I would have been anxious to have it, and if that conversation had occurred I think it would have made a deep impression on my mind. I have no recollection of it whatever, and my impression is that Mr. Henderson is mistaken.

Q. You have no recollection of that conversation? A. No, and I do not think it took place; and I think Mr. Henderson makes the statement in all good faith, I do not for a moment question his intentions.

Q. He puts it in this way, Parliament met on the 22nd and the certificate was granted on the 30th? A. After the bank got into trouble and failed there are lots of people quite willing to blame some one else.

Q. This is a circumstantial account he gives? A. I know the circumstantial account that Mr. Henderson gave to me, that he was not going to stand in the way and have the farmers say he was opposing them in the organization of the bank. That was the only precise information he gave me, and I do not blame him for that.

Q. That would have occurred between the meeting of Parliament on the 22nd and the granting of the certificate on the 30th? A. No, it probably occurred before that; I do not remember discussing with him the propriety of granting the certificate at all. My conversation would be bearing on the extension of the charter, the getting of the subscriptions, the whole movement; the conversation I speak of with Mr. Henderson would not have reference to the granting of the certificate particularly. Mr. Henderson never waited on me on the subject in his life; we met around the Parliament grounds and occasionally had conversation; I think the day the certificate was granted, I think I ran across Mr. Henderson, and I said, "Well, I have had to give these people their certificate and am rather sorry for it". Mr. Henderson never gave me at any time any reason why the certificate should not be granted.

Q. In speaking of Mr. Henderson's conversations with you, would you say any such conversation occurred between the meeting of Parliament and the time of the granting of the certificate? A. My impression is that he is wrong about saying he saw the notes, I think that would have made an impression on my mind.

Q. You are speaking of the general tenor of his conversations—? A. That has reference prior to that, arising out of the objections I raised to the forming of the bank, or canvassing for capital, my knowledge they were getting some of his constituents to go into this bank, I was expressing my regret, and he says, "Well, it is a pity, I agree with you, but I am not going to stand in the way".

Q. You think that was after the extension? A. Or probably in connection with it.

Q. If Mr. Henderson is right in saying he saw those notes in the hands of Mr. Laidlaw you are not suggesting that when he came down to Parliament he made such a statement to you as the general tenor of his conversation? A. No, I have no recollection of meeting him and saying "Well, I had to issue that certificate to-day" and I think he felt, as I did, it is a pity, but it had to be done.

Q. When Mr. Henderson says that he had a subsequent conversation with you after the certificate had been granted—? A. That must have been the conversation to which I have just alluded.

Q. What did he say in answer to your remark that you had granted it and were somewhat sorry for it? A. I think Mr. Henderson's attitude was very much the same as my own, it is a pity this thing had to be done, there was no help for it, and he raised no objection. I say if Mr. Henderson knew that that certificate was fraudulently obtained it was his duty instantly to call me to account in Parliament for it; and I believe he would have done so; I think he is mistaken in later years in attributing this conversation to him and to myself at that time, and I am

satisfied if Mr. Henderson had known that that certificate was fraudulently obtained, it would have been his duty in Parliament to call the attention of the public to it and warn them.

Q. He had the information from Mr. Laidlaw which the Department had previously to that? A. If the Department neglected its duty that was no reason why he should neglect his.

Q. Would he be right in connection with the second interview he says he had with you after the certificate was granted: on page 13 he says: "I met Mr. Fielding in the lobby of the House of Commons, he was either going in and I was going out, or I was going in and he was going out, I don't remember which, but I remember very well it was in the lobby of the House of Commons and Mr. Fielding approached me himself and he said to me that Mr. Travers had been down; that was the communication he made to me.

"Q. What occurred then, what further was said? A. He stated that Mr. Travers had been down and he had brought his money; that he had asked him, that he had put it up to him—he did not say definitely what he had put up to him; he left me to assume on account of our conversation within a few days before that it was what I had told him—and that Mr. Travers had denied it, and he asked him to give him a letter to that effect and he said he did so; and he says, 'I then gave him the certificate'".

A. No; there is a portion of that which is correct and a certain portion which is not: Mr. Henderson says I put it up to him what he said to me—that is entirely wrong. What happened was that meeting Mr. Henderson that evening, I have no recollection of the part of the House.—It was probably in the House,—that I told Mr. Henderson, "Well, I have given these people the certificate, or the Treasury Board has given these people the certificate, but I am sorry to do it, but there was nothing against it". I no doubt told him that Mr. Travers had been down and no doubt he had filed his affidavit; that part of it is substantially correct; but Mr. Henderson certainly offered no objection to the granting of the certificate, and found no fault with the granting of the certificate. I am not questioning the veracity of Mr. Henderson, he is an old gentleman that I have every respect for, but we can all be a little erroneous on matters six years ago.

Q. What about Sir Edmund Osler's statement, do you remember a conversation with him at all? A. There was a conversation with Mr. Osler.

Q. When was that? A. It must have been very close to the granting of the certificate. I think an inference has been drawn from that too which is unfair, although the substance of the report may be correct.

Q. What he says at page 130 is:

"Q. Had you an interview on the subject of the Farmers Bank at all with Mr. Fielding, the Finance Minister? A. Yes.

"Q. Was that before or after the certificate was granted? A. Before the certificate was granted.

"Q. Was it at Ottawa? A. Yes.

"Q. We are told that the House sat about the 22nd of November in that year? A. I do not recollect.

"Q. We will have to prove that in some other way; was it after the session began in 1906? A. Yes.

"Q. What was your interview with him, what occurred during that interview? A. I told Mr. Fielding that I had knowledge that the money that was deposited there was practically obtained by false pretences, that it was not *bona fide* money obtained by stock subscriptions.

"Q. What money did you refer to? A. The money that was deposited with the Government pending the issue of the certificate.

"Q. Did you go any more into detail? A. No, I told him that I knew, as a matter of personal knowledge that it was not straight—

"Q. What further was said, did the Finance Minister say anything or discuss it with you? A. He said he was very anxious about it, and it all passed off.

"Q. That is practically all? A. Yes, that was all until after the certificate was issued. I again saw Mr. Fielding and said I was very sorry the certificate had been issued."

A. I remember an interview with Mr. Osler. Mr. Osler's attitude in the whole matter was precisely the same as my own. He, as a banker, was anxious about the matter and sorry to see this movement going on too; he would have been very glad if there had been any good reason to prevent it going on. I have no distinct recollection of the words of his conversation, but what I would say he told me was that he was afraid they were adopting those methods. I do not think he spoke so emphatically as is therein reported. I have no doubt he did express himself that the subscriptions were being obtained in this way, but he certainly did not give or pretend to give any information to prevent the granting of the certificate. His attitude was one of regret, as my own was, and Mr. Osler never pretended to give me any facts which would justify withholding the certificate; and against any impressions he might have there was the sworn statement of Mr. Travers, who at that time and for years afterwards, was a reputable man. I could not take the doubts and fears of Mr. Osler as better evidence than the sworn statement of Mr. Travers.

Q. If Mr. Osler said it was not *bona fide* money obtained by stock subscriptions, you think that would be no reason for withholding the certificate? A. Against that you have the sworn statement of Mr. Travers that everything was *bona fide* and I must say I do not think I would be justified in taking the doubts and fears of Mr. Osler as of greater value than the sworn statement of Mr. Travers.

Q. That is weighing one against the other? A. I did not mean that; Mr. Osler did not give or pretend to give me any reason for the refusal of the certificate. His attitude was like my own, one of anxiety and regret that this was being organized and no doubt I told him that we could only comply with the law. He knew I was unfriendly to the bank from the beginning and he knew I would welcome any information he could give, and he never gave me or pretended to give me any information I could act on. He may have mentioned about raising money in that way, no doubt he did, but I do not think he spoke of it in such an emphatic way as he there says.

Q. What way, you said, raising money in that way? A. What is that?

Q. You said in your answer he may have said to you, no doubt did, that they were raising money in that way? A. He may have said that they were raising money in the way of notes; I do not distinctly recollect. Mr. Osler's attitude was the same as my own, one of anxiety but he did not give or pretend to give any statement of fact.

Q. If he did state they were obtaining money in that way by the discounting of notes that is what I understood you to say you meant? A. I have no distinct recollection of his words.

Q. If that statement or a similar statement to that was made, would that be any reason why the certificate should not be granted? A. Not against the sworn statement of Mr. Travers, who for years was a man of reputable standing.

Q. That is weighing one against the other? A. Not exactly, but I do not think Mr. Osler pretended to give anything which would prevent the granting of the certificate.

Q. If he did say they were raising money by the discount of notes, or anything that led your mind to the conclusion that that was the method adopted would that in your mind have been a sufficient reason for withholding the certificate? A. I think if Mr. Osler had made the statement or I had understood him to make it in the precise terms you have just read I probably would have examined him—"What evidence have you to go on? Give me some evidence to go

on". I would have done that, but Mr. Osler did not put it as strongly as that. The impression made on my mind was that Mr. Osler was regretting it as I was regretting it, and I told Mr. Osler afterwards "I have given the certificate, but I had to do it".

Q. Who would be the person to investigate if it were true that they were obtaining money in that way? A. What form of investigation could take place?

Q. I want to know? All matters of routine in the Department would pass through the hands of my Deputy, but I am responsible; I am not throwing the responsibility on anybody else.

Q. The Bank Act says, if I recollect right that the Treasury Board shall be satisfied by affidavit or otherwise? A. They were satisfied by affidavit.

Q. We were dealing just with the question of investigation, who would have the power to investigate? A. The Treasury Board would, no doubt—

Q. If either of these gentlemen are right that that was communicated to you it would be in the power of the Finance Department for you to ascertain, would it not? A. If these gentlemen had informed me in any substantial manner, I would have found some way to investigate but I am quite sure that in neither case did they give me reasons against the granting of the certificate, nor did they find fault with the granting of the certificate when I informed them it was granted. If Mr. Osler knew that that bank was fraudulently organized, it is inconceivable he would have allowed it to go on without a public protest. The fact that he said nothing shows he felt the same way as I did. If he knew it was fraudulently organized it was his duty to warn the public.

Q. Would you say that to be your duty? A. Yes, if I knew it to be fraudulently organized, but I did not.

Q. When you got Sir Edward Clouston's letter the following morning did you attach any importance to that? A. That letter arrived after the matter was settled and the certificate delivered and there was nothing much to be investigated. We had the opinion of Sir Edward and he had to get the information from others and against that we had the sworn statement of Mr. Travers. The difficulty is in these days Mr. Travers is a discredited person, but at that time Mr. Travers was a reputable person, and for years afterwards, and I was a perfectly justified in treating him as any other reputable citizen of Canada.

Q. You say Sir Edward's statement is from others; he says: "I have reason to believe that the money lodged or to be lodged at Ottawa as stock subscriptions cannot be regarded as paid up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan made upon the promise of its payment when returned by your Department. Permit me to request that, if only for the protection of the public, the Treasury Board will exercise its right to refuse to issue a certificate if it thinks best to do so, until a further investigation has been made into the circumstances stated herein"—that seems to be a pretty definite statement? A. After the certificate had been issued.

Q. Did you ascertain from the Department of Justice or otherwise that you had no power to recall it or stay it? A. I do not remember; I think at the time I regarded the affidavit and the statements of Mr. Travers as substantially correct and the statements of other gentlemen I looked upon as made in good faith, but made upon information that had reached them. I do not think any of these things would be taken as an answer to the affidavit of Mr. Travers.

Q. There was nothing to prevent what they stated being examined into? A. In the case of Sir Edward Clouston the matter was ended.

Q. I am speaking of prior to? A. My impression is we had no power to recall it. I do not think we took any formal opinion from the Department of Justice; my understanding is we had no power to recall the certificate once issued.

Q. Do you know the bank did not go into operation till the 2nd January, 1907? A. That would have to be a matter of record; I do not know that, no.

Q. Did you make any efforts—it has been stated efforts were made to recall the certificate? A. No.

Q. You made no effort to recall it? A. No. I understood I had no right to: I do not think I took any formal opinion from the Department of Justice, but I think that is the fact.

Q. It has been said that an effort was made to recover it that night either by your direction or through yourself? A. By whom, sir, did they state?

Q. It has been stated to me and I have questioned Travers about it? A. Nothing of the kind ever occurred. Somebody asked that question in the House of Commons, but it was a mere fishing expedition; nothing of the kind ever occurred.

Q. You dictated an answer to be given to Sir Edward Clouston? A. I presume I did; I see the answer is there.

Q. In that letter Mr. Boville states: "On Friday last, the day after the delivery of the Budget speech, Mr. Travers, the general manager, had an interview with him (Mr. Fielding). In the course of this interview that gentleman gave a most positive assurance that not a dollar of the amount deposited had been borrowed." Would that be right? A. That would be correct.

Q. Is that the recollection of your interview with Mr. Travers? A. My recollection is Mr. Travers gave me absolutely it was all cash, not borrowed money, that was the general effect of the interview.

Q. After that letter had been written in reply to Mr. Clouston's, you got some further information did you not in December owing to a visit that Mr. Knight made in Toronto to the Farmers Bank; Mr. George Burn said that he saw you? A. I had a conversation with Mr. Burn.

Q. Did that relate to the deposit with the Trusts & Guarantee Company? A. I think Mr. Burn and I occasionally talked over bank affairs, and I am sure we talked occasionally over the Farmers Bank affairs, and I think the particular conversation to which he refers occurred after the certificate was issued, and probably Mr. Burn was well aware of my attitude all the way through, and I think he said to me, I am pretty certain now it was that same evening, he says, "Mr. Stratton is in town and he can, I am told, give some information as to how the thing was financed", and I think something along these lines Mr. Burn stated to me; I think it must have been either the same evening or the next day immediately after the certificate was issued.

Q. What did you say to him? A. I did not say to him anything particularly; the thing was settled, there was nothing more to be done.

Q. The money had been borrowed, and borrowed from the Trusts & Guarantee Company, of which Mr. Stratton was the head, and it had been paid back up to the 17th December, and on the 18th December Mr. Knight appeared in Toronto, and in order to allay his suspicions, he went to the Trusts & Guarantee Company and got a certificate that this loan, although paid back, was still existing, and Mr. Knight was not satisfied and he telephoned Mr. Burn that Mr. Stratton ought to be seen about it, and Mr. Burn said he went to you and asked you to see Mr. Stratton; did he communicate Mr. Knight's statements? A. I do not remember much about Mr. Knight. Mr. Knight would telephone Mr. Burn. I do not think Mr. Burn came to me; we often met and chatted about things. If he says he came to me that would be correct. It was after the certificate was issued. I do not remember him coming to me for that purpose; however, I remember him stating Mr. Stratton was in town, and he could give information. I did not think I was bound to go and call on Mr. Stratton. I did not see Mr. Stratton from beginning to end and I did not feel I should go and call on Mr. Stratton.

Q. Was any information given to you by Mr. Burn that the money had been borrowed upon these notes from that company and had been reversed? A. That something of the kind was indicated and Mr. Stratton had knowledge of it.

Q. Did you see Mr. Stratton? A. I never saw Mr. Stratton in the matter at any time.

Q. Was it your view, this being closed—? A. The matter was closed and my impression was, I do not say I took any legal advice, I think I must have got it as the legal view that we could not recall the certificate.

Q. I have spoken to you about the original introduction by Mr. Calvert; were you aware of his previous connection with the Farmers Bank other than he had possibly interested himself in regard to the renewal of the charter? A. No, not in any way. I think the papers show that his name was mentioned in the prospectus; I only get that from the papers themselves; I have no knowledge of Mr. Calvert in connection with the matter whatever.

The Commission adjourned at 12.30 p.m. to 2.15 p.m.

The Commission resumed at 2.15 p.m., June 10th, 1912.

HON. W. S. FIELDING, Examination Continued:—

MR. HODGINS: You did not then at all know of Mr. Calvert canvassing in any way for the stock in the bank? A. No, I never heard of it.

Q. He was the chief whip of the Liberal party? A. Yes, I don't know whether he was at that time or not; he was chief whip, but I do not remember whether at that time, very likely.

Q. Had he any conversation other than when he brought Mr. Travers to you? A. Never.

Q. Speaking about the bank itself? A. About the certificate?

Q. About the bank itself? A. He was present in the Committee at the time of the charter and made some remarks there, either to me or to the Committee, but except what occurred in the Committee Room I never saw Mr. Calvert in any shape or form.

Q. The prospectus filed at the Department contains quite a number of names, I think only one of them was then a member of Parliament, Mr. W. S. Calvert; I see he is the only one that is mentioned as a member of Parliament; was any inquiry made from any of the gentlemen who are mentioned? A. Not to my knowledge: at the time the certificate was granted these gentlemen's names were not in evidence: the names of the directors were given, but the names appearing in the earlier papers did not appear at the time the certificate was granted.

Q. When Mr. Travers made his declaration the prospectus mentioning his names accompanied it as one of the exhibits? A. It would be part of the whole record, yes.

Q. Is it the practice at all to make inquiries from those mentioned in the prospectus? A. I think not; I am not aware of it ever having been done in the previous records of the Department.

Q. You used an expression this morning like this, that at that time Mr. Travers was not a discredited man in any way, that his record was apparently good? A. As far as I knew, yes.

Q. Were any inquiries made as to that? A. No.

Q. Or any into the standing of those mentioned as directors? A. I think they were men of good repute generally: one of them I knew, Colonel McLennan, as a man of high standing, but if you mean whether particular and special inquiry were made, no: I think generally these men were known, not all to me.

Q. Colonel McLennan, of Cornwall, and Colonel Munro? A. I think I had met Colonel Munro probably.

Q. Was not he a member of Parliament? A. He was never a member of Parliament in my day.

Q. I see that in the declaration that he is mentioned as M.P.? A. No, he was not in Parliament in my day, during the last 15 years.

Q. Allen Eaton? A. I could not speak.

Q. Robert Noble? A. I did not know them personally. I think in a general way they were reported to be gentlemen in good standing, but I made no special inquiries.

Q. That is apart from what you may have known, you made no inquiry? A. If there had been any special inquiry it would have been made a matter of record, and I think there is no such record.

Q. There is one expression you used in a debate which I saw indicating that you thought Travers came to you as the agent of the shareholders represented—well, from Hamilton? A. All the shareholders who had authorized the meeting to be held, he came on behalf of the bank's shareholders as provisional manager.

Q. There has been a question raised as to whether the actual subscriptions came down to Ottawa; Travers says he sent them down or had them sent down and received them here and he took them into Mr. Boville's office; was any mention made to you about them? A. I have no recollection of that, but Mr. Boville could testify of that; I have no particular recollection concerning that.

Q. We did not know when Mr. Boville was being examined? A. He is accessible.

Q. I understand he is away on his holidays? A. I could not speak of that positively; I have no particular recollection of that, that would be a matter of detail which Mr. Boville would deal with.

Q. At first he gave me the impression that he had gone over them with you, but Mr. Travers afterwards made that clear that it was Mr. Boville, he thought, into whose room he had taken them. There was a matter in reference to Mr. Henderson's evidence that I did not speak to you about, I overlooked it; I would like to ask you about it. It refers to a much later date than the conversations we have been discussing. Mr. Henderson had learned that there was a deposit receipt out in New York, and he said he had a conversation with you in the latter part of 1910 before he left to go home after the prorogation, he thinks about two years after the first interview, and he says there at page 14: "On that occasion I went to Mr. Fielding's room in the House of Commons, to his office to see him personally. I had information that there was something of a very peculiar character which seemed to me would materially affect the bank's interest, and its standing, and I felt, as I said before, very naturally worried and anxious about it, and I called on Mr. Fielding and told him what I had learned". I may say this is in reference to that insurance matter in Syracuse? A. Yes.

Q. "He was familiar with the facts himself, as much so as I was, and after chatting a few moments about it he turned to me and said: 'Well, Henderson, I don't know why you should worry over this, you are not responsible for it and besides you did warn the Government'"?

A. That conversation never took place in the terms that Mr. Henderson is there reported.

Q. Have you a recollection of that? A. I have no distinct recollection of the conversation, but as I was in the habit of having conversations with Mr. Henderson I will not say he did not come into my room in the House of Commons, possibly he did; I would not contradict him on that point, and possibly I had information about this deposit receipt and likely I told him about it, quite as likely as he told me, but when he says I made that remark that he had no responsibility that would be a superfluous thing, as, of course he had no responsi-

bility; but after saying that Mr. Henderson warned me he is entirely mistaken; I never made any such remark to him. He has confused it with something else.

Q. Do I understand you did not make the remark that he says you did, that he did warn the Government? A. Most certainly I never said such a thing to Mr. Henderson and he never did warn the Government in any shape or form; on the contrary, he was careful to say he did not want to take any responsibility himself.

Q. If Mr. Henderson and Sir Edmund Osler had put their statements in writing would it have made any difference to you before the granting of the certificate? A. It might; I would have been obliged to take them before the Treasury Board and report, but I cannot say what it would have done, but I think the mere opinion or doubts or fears of Mr. Henderson or Mr. Osler as against the sworn testimony of Mr. Travers would hardly make a case; but one could hardly say what would be done, because my colleagues of the Treasury Board might have thought it more important. I was so anxious that this bank should not have gone on, that if I had got any tangible evidence from any quarter I would have welcomed it, and that is why I am able to say so positively that nothing of the kind occurred.

Q. Do you feel that you had present in your mind everything that appears upon the files of the Department in writing relating to this? A. Regarding the matter which you dwelt on to-day, the letter of Mr. McCarthy as having been withdrawn and his objection being withdrawn, it ceased to have any weight upon my mind; the matter I had before me was the sworn testimony of Mr. Travers, a man of good repute, and while I was sorry the occasion required it, it appeared to me my duty to grant the certificate; he had complied with the law as far as any bank had complied with it, and if I had advised against the certificate it would have been said I was applying different rules in this case from those which I had applied to others.

Q. I fancy in no other case that a communication such as that of Mr. McCarthy had been made to the Department? A. I say Mr. McCarthy's communication having been withdrawn I regarded it as no longer there.

Q. In his letter of October 8th, he says: "I have not time to-night to give you a full statement of the ground of this request to you, but I beg to assure that grave conditions have arisen which will require careful consideration before the Treasury Board would grant any certificate for the organization of this bank." You think the withdrawal of his request would entirely put an end to the matter so far as the Finance Department was concerned? A. No, it was subsequent to that we had the affidavit of Mr. Travers and the withdrawal of the papers did not put an end to it; there were later developments. Mr. Travers' affidavit came in after that. Rightly or wrongly, that was regarded as the vital thing, as it had been in previous cases.

Q. Were you aware that although the papers had been returned to Mr. McCarthy there were copies kept on the file of the Department which could have been laid before the Treasury Board and considered by yourself? A. I am not quite sure, I have the impression that Mr. Boville made some notes of it. I do not think he kept complete copies; I would rather he be examined on that. I do not think he kept complete copies; I think he took some notes.

Q. The copy of the endorsement on the writ which made the charges was kept? A. It is very likely. Mr. Boville would know of that.

Q. In addition to that particular matter it was stated in the writ that the provisional directors had expended very large sums of money improperly; does that matter enter into the consideration of the Finance Department or the Treasury Board when considering the paid-up capital—what I mean is this, they carried as part of their paid-up capital and so returned it, moneys which they alleged had been received from shareholders but had been expended to the extent

of $40,000 in what are called preliminary expenses? A. Well that would be part of the whole papers which were withdrawn, that would not leave any impression upon my mind. I would consider that the whole transaction there was that Mr. McCarthy represented a number of shareholders and filed certain objections and wanted to be heard, and we said come along and we will hear you and we will do nothing until we hear from you, and after that Mr. McCarthy writes and says he withdraws the papers, the matter had been settled and wishes to have the papers sent back. That disposed of the matter. The general allegations set out in a writ, I am afraid, do not have the same weight in my mind as it would have in some others; I know that lawyers are very apt to set out a great many things in writs.

Q. What seems to have been Sir Allen Aylesworth's view? A. Yes, but I have had experience, I have had an election petition and I know things are set out in writs.

Q. What Sir Allen said was: "I want to impress upon every one that no one reading the lawyer's allegations upon a written summons or other legal documents is bound to accept those statements as being statements which necessarily will afterwards be established by proof"—you agreed with him; but would you agree with what he says before. I do not mean for a moment to say that no one should take otherwise than as serious the charges made in any legal document which may come to his notice? A. I think I would agree with him.

Q. And where he said, "if the writ had been issued making one specific charge I grant it would have been a circumstance to which considerable attention would have been drawn"—that is if it had been confined to the fact that money was being raised upon the notes? A. That is a matter of Sir Allen's opinion and I think probably that is reasonable.

Q. In dealing for a moment, if I may, with the events immediately preceding the granting of the certificate, would the trouble have been averted, had you, for instance, stopped the payment of the cheque or taken some action not quite so drastic as that; supposing you had telegraphed Mr. Travers not to use it, that you wished to make further inquiry, would that have been anything unreasonable or unusual? A. I think it would certainly have been unusual, I would say unreasonable, I might almost say, if a layman may say so, unlawful. My opinion is that once the certificate issued we had no power to deal with it.

Q. You had under the Bank Act a right to ask for special return? A. Yes.

Q. What was the object of that? A. That has been in the Bank Act for many years; it is a little power of investigation which the Government has, it is a little pressure you can bring to bear, because those returns are not very often made public or they might possibly be misleading or do harm, but the asking for a return shows that the Department is keeping an eye on the bank and it has a wholesome effect; it has no legal effect.

Q. Has it any effect in founding action by the Finance Department? A. That is rather too general a question for me to answer.

Q. There is a concrete instance; not very long after the bank started, Mr. VanKoughnet wrote down to say that these shareholders' notes were being discounted in the bank at Milton to the extent of some $110,000 and the Department wrote for a special return which was made; that special return disclosed there was only $59,000 all told made up of discounted shareholders' notes and the discrepancies between the two amounts would strike anybody. If that had been noted in the Department was there anything that the Department could do? A. I know the papers show that that correspondence occurred. I have no recollection particularly about it. The papers show there was that correspondence but I have no particular recollection about it. I suppose Mr. Boville mentioned it to me but I cannot recall the facts.

Q. Supposing that was so, and it came in and was noticed by the Finance Department, is there anything they could do, having called for the special return

and got it, but being dissatisfied with it? A. I do not know anything that could be done under the special return except to call the attention of the bank authorities to anything which we deemed worthy of attention; I do not know of any action we could take under the bank return; that would be a matter for legal opinion but I do not know of any, speaking offhand.

Q. Would there be any objection? A. We should not do it without legal advice; taking action of any sort after a bank is a going concern would be a very grave matter. Before the bank is actually organized it is easier but after a bank is a going concern and you take action against it in any public way you make trouble for the bank and in the case of a panic the Department would be blamed and they would be told, "you did not need to go into this thing, there was no need of it".

Q. Would that be the case the day after the certificate was granted? A. No, but the day after that certificate was granted I had no evidence there was anything fraudulent. I say if any gentleman knew that there was anything fraudulent it was their duty to make public disclosure of the matter. If I had believed there was anything fraudulent I should have done so.

Q. They do not appear to have been given any opportunity by the Department to lay their case before it? A. I am not aware of anybody seeking an opportunity.

Q. Sir Edward Clouston's letter suggests inquiry by your Department? A. Exactly, and thereupon the Deputy Minister wrote stating the case to Sir Edward Clouston, and so far as I knew, I never heard a word of it further; and the Bankers Association began to take this bank into their arms and the Clearing House in Toronto; and evidently they did not believe it was fraudulent.

Q. Perhaps as you had granted the certificate they were obliged to do it? A. It would not oblige them to take them into the Toronto Clearing House.

Q. What power would they have to refuse? A. I think the Clearing House is a voluntary association and they can take in whom they like.

Q. I do not recollect seeing that they have any powers of investigation? A. I do not think the Clearing House is a legal organization; I think it is a voluntary association much as a club; the Bank Act will tell you that better.

Q. What could they have done that the Finance Department could not have done? A. If they had known it was a fraudulent organization they need not have recognized it; and Mr. Henderson and Mr. Osler could have called me to account in Parliament, and the bank you say did not commence operations for a month and these gentlemen then knew, according to their evidence, that this was a fraudulent concern.

Q. Is that any different from your position? A. I had no belief there was any fraud; they say they did.

Q. If they had made a charge in Parliament what would have resulted? A. It would have resulted in the bank going ahead, but if any one should call public attention to it no one would put money in the bank. My view is that these gentlemen while they were anxious about the matter they did not have any grounds to make an accusation against the bank and therefore they did not make it.

Q. Of course any investigation made would disclose there were very good grounds? A. I agree to that in the light of past events.

Q. They may have felt that if the Department did not investigate on what they had said, and the Finance Department having granted the certificate it practically said there was nothing in their complaint—A. Yes, and as a member they simply had to call me to account.

Q. That would be for political action? A. They did not hesitate to take political action later; when the trouble arose they did not hesitate to blame the Finance Department.

Q. Would there have been action taken if they had taken it up immediately? A. I take it for granted if there had been public discussion of that nature and

the facts be as they say, the bank could not have gone on, public opinion would not have permitted it to go on.

Q. You put the boot on the other leg? A. I think these men have sought to put blame on the Minister of Finance, which I think is very unfair; they convey the impression that they had knowledge which they conveyed to me that this thing was fraudulent, and I say without any hesitation that they did not convey any such knowledge, and if they did possess that knowledge it was their duty to disclose the matter in Parliament.

Q. You think that would be better than the Finance Department? A. No, I say the Finance Department with the information before it, the same class of information or better than we had ever before, was satisfied. If they knew that this was wrong and my act was wrong, the proper time to call attention to it was the next day in Parliament, because the next day they could have protected the public.

Q. You think you were right and they were wrong? A. I certainly think if their present position is right, if all this time they had knowledge that this was a fraudulent concern, I say their attitude was wrong; and looking at it in the light of the later events there is very much to be regretted, but in the light of the time, in the light of all the precedents and practice of the Department, the granting of that certificate to the Farmers Bank was exactly right; that is my judgment and I only give it as my judgment.

Q. And having that view you would not make any attempt to recall the certificate once it had been granted? A. Not only because of that view, but my impression is I had no right to recall the certificate; that is a matter of legal opinion. At all events I know of no authority to recall the certificate.

Q. But leaving politics aside altogether, supposing having got this information, you had said to Mr. Travers, "do not act upon that certificate, send me down your minute books, let me investigate this a little further privately", don't you think the whole difficulty would have been avoided without any public exposure? A. Looking back over it now and being wise after the events I think perhaps that would have been the better course to have pursued; but I do not think in the light of the transaction at the time I could have been expected to do it. At that time Mr. Travers was a man of good repute, and therefore I was attaching some importance to his affidavit, so to any other reputable citizen, and that weighed with me. Events showed he was all wrong, and that that affidavit was not reliable but that was disclosed years afterwards.

Q. Of course the situation would have been entirely different if it had been assumed that notwithstanding the fact that Mr. McCarthy's clients had been settled with, the charge still remained that there had been an improper method adopted in raising the deposit with the Finance Department? A. Quite a long time elapsed after that, and nobody ever brought a charge, nobody ever said anything further about it, Mr. McCarthy withdrew the papers, and that was the end of it, and we heard nothing more about it.

Q. That appears to have been the position throughout, that settling with his clients and withdrawing the objection he made on their behalf to the issue of the certificate, but it would not be a matter that Mr. McCarthy's clients would have anything to say as to whether the certificate should be granted or not, that would still remain for the Finance Department? A. Surely.

Q. Then would you say it was any one's duty to present the papers to you again before you finally decided? A. I think anybody who had any interest in the matter whatever, if there was anybody who felt any real interest in the matter and believed there was anything wrong would have brought it to my notice; the fact that nobody brought it to my notice was a reasonable ground for the belief that there was nothing wrong.

Q. Just one more question upon that point; if the statement of Sir Edward Clouston's letter was right, the affidavit of Travers necessarily was incorrect; did that phase of the matter occur to you? A. Yes, the two were in conflict.

Q. You had depended upon Travers' affidavit? A. Chiefly.

Q. If the statement made the day after was correct, Travers' affidavit necessarily must have been perjury? A. It looked like that, and if Sir Edward Clouston and those with whom he was acting had attached importance to it and had pressed the matter further I do not know what we might have done; Sir Edward Clouston apparently acquiesced in what was done and we heard nothing further, and nobody objected.

Q. The letter that Mr. Boville wrote to Sir Edward Clouston on December 3rd, contained quite a long history of the matter, I suppose, from the Department's point of view; he says: "In view of the published reports in the newspapers of some litigation in connection with the subscriptions to the capital of this bank the matter has had the careful attention of the Department,"—would that refer to Mr. Boville or yourself? A. Mr. Boville was conducting the matter at that stage.

Q. I think this morning you indicated it was more the general rumors that you had? A. That alludes to some publishing in the newspapers.

Q. "In view of the published reports"? A. That is Mr. Boville's own letter, and while he may have showed it to me, and I quite accept the responsibility, I do not know what he had in his mind at that moment.

Q. "Had the careful attention of the Department", would that be Mr. Boville's attention? A. It would be the attention of the Deputy in the main, but it would mean the matter was presented to me in all important points; I would have to take the responsibility of it.

Q. Some time ago the general manager of the bank was communicated with to the effect that when applying for the certificate to commence business, in addition to the list of subscriptions to the extent of a half million required by the Bank Act, the statement did contain also the actual amount of cash paid up by each subscriber on his subscription. On the 29th ultimo application in due form was made by the bank for the certificate permitting you to commence the business of banking. The application was accompanied by the usual documents and also by a list of the subscriptions of cash paid in by each subscriber. The list itself covers over 500 names and nothing therein appeared for any particular comment. Was any report made to you by Mr. Boville about the list? A. He may have discussed it with me; if you ask any written report, no.

Q. Do you remember he made any report as to the individual names? A. I do not remember; I think likely Mr. Boville kept me informed from time to time; that was the general practice.

Q. Then he quotes the clauses in the declaration and then what I read you before, the interview in which Mr. Travers said that not a dollar had been borrowed; then he said, "For the purpose of record, Mr. Fielding wrote Mr. Travers a letter, of which I enclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case *bona fide* cash payments. I enclose a copy of Mr. Travers' reply. Then follows this statement, and I want to ask you if it had your concurrence: "Under these circumstances there did not seem to be any warrant for the withholding of a certificate under section 14 of the Act, and, accordingly, a certificate was issued on the 30th ultimo"? A. I concur in that, yes.

Q. That was the answer of the Department to the request for a thorough investigation? A. The time for that thorough investigation, if it could have taken place, had passed; the certificate had been issued.

Q. Was any telephone message received from Sir Edward Clouston or anybody else on the 30th? A. Not by me.

Q. Did you ever hear from Mr. Boville as to whether any telephone message had been received stating that this letter was on its way? A. No, never heard it from anybody.

Q. Quite likely if it had been received you would not have heard of it? A. I do not know; if Mr. Boville had received it and attached any importance he would have told me, I think; but I never heard of it in any shape or form; I never heard of Sir Edward Clouston's letter until it came to me the following day. Is there anything in evidence to show Sir Edward Clouston telephoned? It is alleged that Sir Edward Clouston telephoned to the Department? I do not recollect of ever hearing of it before.

Q. It was mentioned in the debate in the House? A. I do not think he telephoned.

Q. I proposed to ask Mr. Boville, but he is not here? A. To the best of my recollection, it did not happen; I would not like to say positively, he may have got a telephone from Sir Edward, although I do not recollect of ever hearing of it.

Q. Would that letter, Exhibit 72, have ever come under your notice, particularly after the last clause? A. I have no recollection of ever seeing this letter before. I Would not say I did not, the letter being addressed to the Minister of Finance, this is January, 1907. I have no recollection of ever seeing or hearing of that letter before, but I will not say positively I never did; the records of the Department will show whether that letter was received, and if it was received it may have been shown to me; I would not like to speak too definitely. All the papers bearing on the issue of the certificate were brought down to Parliament; I do not think this is included in them.

MR. COMMISSIONER: That is after the bank was organized? A. Yes; this was not in relation to the certificate itself.

Q. That was an ordinary matter of routine in the Department? A. This was in January, 1907.

Q. That was its first return? A. I have no recollection of seeing it; I would almost think it would have been included in the Return brought down, because the Return to Parliament included papers long after the organization of the bank.

MR. HODGINS: I do not recollect it was published? A. I am sure it would not be.

MR. COMMISSIONER: Travers spoke of having got information from the Department as to that being the correct place in which to enter the deposit with the Trusts Company.

MR. HODGINS: (To Mr. Ross). Can you tell us if that is on the files of the Department? (Letter 12th January, 1907, of which Exhibit 72 is a copy.)

MR. ROSS: I never remember seeing it; it may be here though. I will look and see.

WITNESS: That might not come before me at all; it is a matter of routine.

MR. HODGINS: It was in consequence of a statement of Mr. Travers practically that he had consulted with the Department as to how he should enter the loan of the Trusts & Guarantee Company.

MR. COMMISSIONER: He does not call it a loan, but a deposit, and wants to know under which head it should appear? A. I have no recollection; as a matter of routine, that does not come before me in the ordinary way.

MR. ROSS: Yes, the letter is here.

MR. HODGINS: Is there any reply to it?

MR. ROSS: I do not see any reply.

WITNESS: How was it it did not come down with the Return?

MR. ROSS: These returns go to a different part of the Department, the regular monthly returns, and this letter accompanied it. There is always a formal letter accompanying the monthly Return.

WITNESS: It would be filed in the Bank Department with the Return and not in the general correspondence.

MR. COMMISSIONER: None of those were brought down to Parliament?

MR. ROSS: Apparently not.

MR. HODGINS: Was there any reply to that?

MR. ROSS: I do not know, I am sure; the only way to find out would be to look in the letter books.

MR. COMMISSIONER: It hardly calls for a reply. He says, "I have included it under number 6, which I trust will be satisfactory". A. If they took no exception to the form of the Return they probably would not answer it.

MR. ROSS: There probably was no answer; the letter apparently does not call for an answer.

MR. HODGINS: Where would we go to find out if there was one?

MR. ROSS: I can examine the letter books and see if there was an answer.

MR. HODGINS: Speaking of that first interview with Mr. Travers he said you said to him you had been served with a letter from Mr. Leighton McCarthy explaining the whole matter to you, so that he (Travers) did not have to tell you anything? A. I have no doubt I told him of Mr. McCarthy's objection.

Q. Did you tell him more than there was objection or did you go into what the objection was? A. Not in detail; but Mr. Travers was aware of it; the complaints of Mr. McCarthy had been sent to him; it would be alluded to no doubt in our conversation.

MR. COMMISSIONER: Did I understand you to say that a copy of Mr. McCarthy's letter was sent to Mr. Travers? A. I think the records show Mr. Boville did send to Mr. Travers the statement of Mr. McCarthy's complaint, I do not think he gave him a copy of the writ, because he would presume he was aware of that; I am speaking from recollection of the correspondence.

MR. HODGINS: The letter that was sent was dated October 24th, stating that "Opposition has been filed in this Department to the granting of a certificate"? A. Yes, and I think Mr. Travers asked for a copy.

Q. Mr. Travers asked for a copy on the 29th October and then on the 31st October. Mr. Boville writes to Mr. McCarthy: "Referring to your letter of the 19th inst. addressed to Mr. Fielding on the subject of the Farmers Bank of Canada and the issue of a certificate to the bank to commence business under section 15 of the Bank Act, I noticed recently a reference in the newspapers to a judgment given by Judge Anglin in a suit relating to this matter. In view of the decision rendered I shall be obliged if you will let me know if you still desire the protest contained in your letter to be brought to the Treasury Board upon an application of the Farmers Bank for a certificate to be considered". Mr. McCarthy replies, he will be in Ottawa and see the Minister; and then on November 2nd, a letter is written to Travers in answer to his letter of the 29th: "I beg to enclose herewith copy of a letter adressed to Mr. Fielding by Mr. Leighton McCarthy by way of protest to the granting of a certificate to your bank to commence business. Of the enclosure with Mr. McCarthy's letter I have not sent you a copy, as it is lengthy and I have no doubt you already have a copy of it in your possession". The same day, November 2nd, from Toronto, comes a letter from Mr. McCarthy, stating that the claims made by his clients had been settled by their subscriptions being taken up by some parties interested in the bank and refunding the money paid by the individuals or returning the notes which had been given. "The objections which I made on their behalf to the issue of the certificates are therefore withdrawn. Would you mind therefore returning to me the papers which I forwarded to you"?

MR. COMMISSIONER: When Travers got a copy of Mr. McCarthy's letter did he reply?

MR. HODGINS: No, but there is a further letter to Mr. Travers on November, 7th. Mr. Boville advises him that Mr. McCarthy has withdrawn the objec-

tions. The only letter from Mr. Travers was one expressing surprise that any opposition had been made and asking for a copy. Mr. Travers seemed to think you were fully advised with regard to these shareholders that had been dealt with not in detail? A. The only information I had was that disclosed by the records.

Q. Did he tell you it had been arranged, these subscriptions of Leighton McCarthy's clients? A. I do not remember of any conversation with Mr. Travers.

Q. He says, "I told him it was arranged"? A. I do not think that happened, although I cannot be positive; he may have told me it was arranged; I knew as a matter of fact Mr. McCarthy had withdrawn it, otherwise I had no knowledge of it.

Q. Did he tell you there was some provision in the Bank Act to remove those subscriptions? A. I do not recollect that that occurred; he may have said so but I do not recollect it. I do not think we discussed in detail; I think our discussion was very general and went to the question of whether the subscriptions were taken in good faith and whether they had resources to go on with their work and make a creditable exhibit. Beyond that general statement I did not go into any analysis of the thing with Mr. Travers.

Q. Was any question raised as to the statement in the declaration that the moneys paid in by the individual subscribers were correctly set out in the list? A. No, my questions would be generally as to the accuracy of all the representations; I did not think any particular question was raised as to that particular section.

Q. Nor as to the question of how they raised the money for the deposits? A. Only in a very egneral way. My letter to Mr. Travers suggested about a difficulty in my mind on that score and that general difficulty in my mind was referred to briefly but not as to particular subscribers, I am sure.

Q. He said in reference to the first interview that there was nothing settled and speaking of yourself, "he said he was very busy, I would have to come back again, and let me know when to come. He also said that there had been so many irregularities about other banks' transactions with him with reference to their getting their certificate he had to use a little caution.

"Q. Any reference made to the Budget speech at that interview? A. Yes; he told me he was busy; that is the excuse he made for putting me off, that he had to deliver his Budget in a day or two, in fact I think he set the day—I cannot recall the day just now—he was too busy. I know I went to the House and listened to it." A. I cannot recall any such conversation. To the best of my knowledge and belief it never happened. I had only the one interview with Mr. Travers that I can recall, and that was on the very day of the certificate. My letter shows that Mr Travers had been trying to see me and I was unable to see him. There is nothing in that letter that says I had seen him. I expressed my regret I was not able to see him and I said I would see him that day; and that tends to show I had no previous interview with Mr. Travers.

"Q. You went to the House and it was after the Budget speech you had the second interview? A. Yes.

"Q. Where did that occur? A. Occurred in his office". A. He no doubt was around the Department before that and saw Mr. Boville, but did not see me.

Q. "A. I was over there first; after receiving that letter I went over to see him then. He put me off till the afternoon; in the meantime he wrote me another letter"— A. Who is he?

Q. He is referring to yourself? A. That I wrote him another letter? Then he had two letters?

Q. No; he was speaking of this first interview before the Budget speech was delivered and this reference is made to the letter: "Q. What time of day did you have your second interview with him? A. I was over there first; after receiving that letter I went over to see him then. He put me off till the afternoon; in the

meantime he wrote me another letter asking me whether I had borrowed any money on notes and then I answered that letter and followed it myself soon after"? A. There is no such letter.

Q. Yes, the letter you wrote on the 30th? A. He speaks of two letters.

MR. COMMISSIONER: He speaks of two letters from Mr. Fielding, the letter making the appointment and the other letter.

MR. HODGINS: Oh yes, it is two letters. A. There were no two letters; that one letter he apparently had not received when he came to see me, although the letter was dictated or written, and he had not received it, because I said to him, "you had better get the letter and send an answer".

MR. COMMISSIONER: Apparently he seems to have thought he got the letter making the appointment and he went over, and you were not there, and that he got a second letter asking for the assurance about the condition of the bank? A. As far as my recollection goes I am quite sure—

MR. HODGINS: Q. The only point I am asking is, that he called on you and you were too busy, and you put him off? A. The only explanation is he called at the Department and was put off; but I did not see Mr. Travers, only on the one occasion. Perhaps he did not draw a distinction between calling on the Department and calling on me.

MR. COMMISSIONER: I think you have said it must have been before noon he called? A. About mid-day, before lunch hour.

Q. He puts there the afternoon? A. In the afternoon he probably called at the Department to see what progress was made, but he did not see me.

MR. HODGINS: At all events he says, "I went to Mr. Guthrie's office and answered that letter and then I called on Mr. Fielding again later in the day, I should think it would be 4 o'clock and then I got my certificate? A. He got his certificate from the Deputy, and not from me.

"Q. On your return to Mr. Fielding was anything said, was the question of the subscriptions raised again? A. No; the last time I got my certificate it was very brief; we hardly touched on the matter at all; we were talking about other things".

WITNESS: When he got the certificate he may have had a conversation with Mr. Boville but not with me, he did not get the certificate from me. Once the instructions were given to issue the certificate that would be a matter of routine which would be attended to by Mr. Boville and I would see no more of it.

Q. Further on, page 519, he reiterates the fact that he had a 15 minutes interview with you and got the certificate about 4 or 5 o'clock in the afternoon; he did not get the certificate from you, but from Mr. Boville, but he does reiterate that he had an interview with you? A. He would be entirely wrong. I would no doubt then be in the House of Commons, and Mr. Boville would be doing the Departmental work.

Q. Was there any reason other than you have given us for putting this whole matter through in practically one day, that is seeing Mr. Travers, bringing the matter before the Treasury Board, deciding upon issuing the certificate, giving back the cheque; is there any reason at all why that should have been done, in view of your own feeling towards the bank and in view of what has been said to you, whatever it may have been, any reason for putting it through all in one day? A. Once it was decided that the certificate should issue I would expect the Department to expedite it; once a thing is settled the quicker it is disposed of the better. I would consider that was good business. There was no special reason for doing it; it was done in the regular routine way in the Department.

Q. Had any pressure been brought to bear? A. Absolutely none. No human being spoke to me about the issuing of the certificate other than Travers and the officers of my own Department I mean with a view of supporting the certificate. I have already referred to the conversation with Sir Edmund Osler and Mr. Henderson, but I am speaking with reference to the issuing of the certificate.

Q. When you say no one had spoken to you about it, do you include the time previous to that time? A. At no time was any pressure of any shape or form brought to bear with regard to the issue of that certificate; there was no person exercising any influence or trying to whatever.

Q. And so far as you are concerned you say you think it went through in the regular way in the Department? A. Yes, once decided the quicker it was disposed of the better.

Q. And it was never decided till the 30th November? A. It was never decided till the afternoon of the 30th November. After that it was purely a matter of routine. I suppose Mr. Travers being there and waiting Mr. Boville naturally tried to facilitate it for him; that would be good business.

Q. There is a certificate on file, a memorandum from Mr. Boville on this matter for submission to the Minister, perhaps you would look at that and see if that was received by you (Part of Exhibit No. 2). A. I have no doubt I did, although I have no distinct recollection of it; it would be in line with a discussion between Mr. Boville and myself, and it was put in a memorandum for future reference.

Q. The date of that is what? A. The 30th; I have no doubt I was aware of it.

Q. Were you aware that Mr. Boville had referred the matter to the Department of Justice? A. I think likely, although I could not be certain about that; I think likely Mr. Boville though told me. These things would be dealt with as a matter of routine, but Mr. Boville kept me occasionally informed of what was going on; in that why I would know although I would not have the documents myself.

Q. Looking at that memorandum is there anything in that you personally knew or information that Mr. Boville would give? A. It is a memorandum of Mr. Boville's in line with what we had been discussing. If you had asked me if he had made a formal memorandum I could have recalled it, but I do not know that it was customary for the Deputy to make a written report. I have no doubt that came to my notice, anyway I was aware that Mr. Boville was advising.

Q. This states: "The papers are all in order and have been submmitted to the Department of Justice who have advised that the evidence contained therein is such that the Treasury Board may lawfully accept it and issue the necessary certificate". The real statement made by the Deputy Minister of Justice was somewhat different from that? A. Do you think there is a difference? I do not see, because the statement was that the papers were in order and the affidavit if it was accepted was such as would legally entitle them to the certificate.

Q. You would see no difference between the two? A. From the hasty reading of that, I do not see; there may be a shade of difference.

Q. The letter from the Department of Justice says. the statements are sufficient if the Departments accept them? A. Exactly.

MR. COMMISSIONER: Accept what? A. The Department of Justice was purely advising on the law of the case, they were offering no opinion on the merits of it.

MR. HODGINS: "I beg to state that the statements in the statutory declaration of Mr. William R. Travers are sufficient if they are accepted to show compliance with the statutory provisions and that the evidence thus afforded is such that the Treasury Board may lawfully accept under the Act and thereupon issue to the bank a certificate under section 14 of the Act"? A. Is not that substantially what Mr. Boville says in his reference to it? The Department of Justice would advise purely on the law; they would say nothing on the facts of the case.

Q. It is represented to you as saying, "and the evidence is such that the Department may lawfully accept it"? A. Yes, and the Minister of Justice thinks so, the Department may lawfully accept it; it leaves it to their discretion as

to whether they are satisfied with the information. All that Mr. Newcombe says is that this is within the four corners of the Bank Act.

MR. COMMISSIONER: As I understand your view was that if proof were made that the requirements of the Act had been complied with it was the duty of the Treasury Board to issue a certificate? A. Yes, unless we felt we had reasonable evidence to the contrary.

Q. If you had known that the $100,000 of the money that was represented as paid upon the stock had been borrowed by Travers, not applied to the credit of the Farmers Bank, but borrowed by Travers and applied by him, not directly upon the particular notes that were discounted—putting up the notes as collateral security—would you have refused to have advised the issue of the certificate or are you able to say? A. I may find difficulty in answering that. The borrowing of money to put into a bank is not an improper transaction. If Travers could borrow money or get it anywhere he liked and put it up for and on behalf of these shareholders it would be a perfectly proper and legitimate transaction. If a man subscribe for bank stock and goes out and borrows money from another bank that is perfectly legitimate. The illegitimate part would be if he did it through the provisional directors and afterwards the money was to be returned from the funds of the bank.

Q. If you had known that? A. If I had known there was any understanding whereby these moneys were to be refunded from the bank I certainly would not have advised the issue of the certificate.

Q. Does not what happened in this case suggest that there ought to be an examination by an officer of the Department or some other competent person of the books of a bank starting in order to verify these statements? A. Yes, sir, I think it would be wise. From all these things we learn something from experience.

Q. Because I suppose the most cursory examination of the books would have disclosed how the money was raised? A. There is a point, it does not affect the wisdom or unwisdom of the issue of the certificate, but it does affect the whole thing in the public mind; this bank did not come to grief because of any irregularity with regard to the paid up capital. These notes or a sufficient portion of them, were ultimately paid, the bank had the capital and whatever irregularity occurred at that time was ultimately made good; the bank had the capital required by the Act, and if the bank had been honestly and wisely managed, there would have been no trouble; the failure of the bank was in no degree due to the irregularity which has been referred to in connection with these notes. It was an irregularity and a grave one, but it had nothing to do with the ruin of the bank ultimately.

Q. Do you understand that the Finance Minister or the Treasury Department had anything to do with the list of subscribers; supposing you had found a list of $500,000 and one man had subscribed $250,000 of it, would you have had any right to exercise a discretion not to issue the certificate? A. Of course we have absolute power not to issue it.

Q. You think there is that power? A. I think so; I do not know of any machinery whereby you can compel the Treasury Board to issue the certificate if they do not wish to act: it is discretionary, but that discretion must be exercised with reason; and we could never have defended ourselves I think before the public if we had refused to issue the certificate upon the same basis as had been accepted in other cases.

Q. I am thinking about a case of a manufacturing company in Toronto that was seeking to increase its capital, opposed by the minority of the shareholders, and I think our Courts held that a mandamus would go to the head of the Department to issue the proper certificate. Of course I would not suggest at all that they could compel you to exercise a discretion in a particular way, but compel you, where the acts required were proved, to issue the certificate, but you did not take that view? A. That is a legal question, my Lord, as to whether a mandamus could issue against the Crown for that purpose, but I had not that view in my mind. I exercised my best judgment. We all know now, in the light of what has developed,

it was a misfortune; but in the light we had at the time it seemed the right thing to do. You asked about a particular subscription, one man subscribing for $250,000; had we a right to object because we did not think he was good for $250,000. Even that is a very grave question. I remember another case, I do not want to specialize it, where subscribers were people as to whom I had grave doubts as to their ability to pay the amount, and yet under the Bank Act I was not clear that I had any right to refuse it. If they subscribe, and if they pay the amount required under the Bank Act I doubt whether I would have any power to go ahead and say, "I will not give the people this certificate because John Smith is not able when the time comes to pay". I had grave doubts in that particular instance, and it worried me a great deal, but I do not think the Bank Act gives any discretion to refuse on that ground.

Q. What happened in this case, according to the evidence, is the provisional directors endorsed these notes; Travers went to the Trusts & Guarantee Company and borrowed $80,000, I think it was, hypothecating the notes; then that they used the money, not applying the proceeds to each note, but applying them indiscriminately—perhaps not entirely indiscriminately—but applying some of the money in payment of stock for which no notes had been given at all, and then the money was returned as soon as it was got back from the Department. Travers does not appear to have been confronted with the specific charges that had been made so far as your evidence has gone? A. You say with specific charges; what do you refer to—the Leighton McCarthy letter?

Q. Yes, and perhaps I should not say specific charges, general charges, Sir Edmund Osler? A. They made no charges; that is my position. Sir Edmund Osler's attitude was not one of making charges against the concern at all; his attitude was precisely that of my own. "While I am sorry this thing is going on, Mr. Fielding, you and I agree that it is a misfortune, but there is nothing we can do to prevent it". He did not pretend to give any ground upon which the granting of the certificate could be refused. My attitude from the beginning was I was anxious, not because I had any reason to anticipate any fraudulent proceedings, but simply and solely because I thought a lot of these small farmers were making a mistake, and if I could have stopped the thing at any moment I would have gladly done it. On the other hand, as this thing was largely composed of farmers, if we had refused to give them a certificate, they having given us the same evidence or better than we had received in former cases, there would have been an outcry at once that we were trying to stifle bank competition, and trying to play into the hands of what is called sometimes a dangerous monopoly and refusing to allow competition. I did not want to give a lot of people in Canada the opportunity to say the Farmers Bank put up their money, they provided the same evidence, they made their affidavit, they did everything that ever other bank had done before and yet the Finance Department refused to give them a certificate; I did not want that position to be held.

Q. Is not there a weakness in the Bank Act if it be that a certificate obtained by fraud cannot be recalled, some step taken? A. I think in the light of this experience it would be well that that should be distinctly dealt with. It might be suggested that though the certificate be granted it should not be acted upon for a certain period during which there would be an opportunity for investigating.

Q. The meeting was called, the shareholders had notice of what was going on, it is a wonder how they were so dull to their own interest? A. It appears to have been quite a large meeting.

Q. I fancy it was mainly proxies? A. I think it states there was quite a number present.

MR. HODGINS: Quite a good-sized meeting; they had no voting power as against the proxies? A. There is nothing to show there was any conflict between

those present and the proxies; there was no evidence that came to me that there was any internal trouble.

MR. COMMISSIONER: Do you think it is possible that Mr. Calvert may have introduced Travers to you and you not have had time to talk to him at all, and then Travers came again? A. No, my lord.

Q. I do not think it is very important, except as reconciling the two statements? A. I had quite forgotten that Mr. Calvert did bring Mr. Travers, but I remembered it afterwards that he came to the office and introduced Mr. Travers and I do not think he remained during the interview; I am certain Mr. Calvert never figured in the matter in any shape or form except as to that incident. Whether Mr. Travers had one or two interviews is no earthly matter, although as a matter of fact I am sure he only had one.

MR. HODGINS: It all has a value in determining the weight to be given to the evidence of the various witnesses. There is something you said I did not quite understand; do I understand from you that if these notes had been given and had been pledged and the money raised upon those notes and paid into the bank to the credit of the Finance Minister that there was no objection to that, unless there was the further agreement that it should be returned to the lenders immediately after the certificate was granted? A. That is dividing the thing perhaps into two parts: I was dealing rather with the question his Lordship asked me, and I said there was no reason why a man should not give a note for raising money to put into the bank: the only illegitimate part would be if he had an arrangement whereby he was afterwards going to get that money out of the bank. I think if John Smith had given a note, being a subscriber, and raised that money and then paid in good faith into the Farmers Bank nobody could raise any objection; the fact that he raised money on the note would not be doing anything wrong.

Q. Who raised the money? A. The subscribers.

Q. His own note? A. Yes.

Q. I thought you indicated there was no objection to the provisional directors raising money upon notes? A. No, if you inferred that I was mistaken; that would be quite wrong; but the greater wrong would be if they bargained to afterwards have it turned back out of the bank.

Q. If this minute had been brought to your notice and you knew it had been acted upon, would you have felt that the certificate should be refused: "That the provisional directors execute a power of attorney to W. R. Travers for the purpose of endorsing all notes in their name as provisional directors and of signing their names to a note or notes for the purpose of raising funds to put up the deposit with the Government: and we authorize the secretary to hand over all notes to W. R. Travers for that purpose"? A. What are you reading from?

Q. The provisional directors' minute. A. Certainly if that had been brought before me, I do not think I would have been willing to issue the certificate; I should say not.

Q. You said I think in the House that you cross-examined Travers; you explained that you did not mean that technically, but that you did question him? A. I questioned him, yes.

Q. Did you question him upon the way in which the money had been raised to put into the bank? A. In general terms, yes, not as to individuals or details. I said my discussion with Mr. Travers was exactly along the line of my letters to him, that gossip had said that sometimes these promotions had been made in that way and I wanted to be assured there was nothing of this kind in his case; and he gave me to understand it had not taken place.

Q. The intention of putting it in your letter that it had been represented in some previous instances where the application was regular, there was actually an evasion of the act, was that put so as not to offend his feelings? A. Possibly that entered into my mind, but for the last year or two it was the gossip in bank

circles that that is the way promotions were being managed; and Mr. Travers, having filed his affidavit, and being a man of good repute, I would not like to reflect upon it and my conversation with him was to make assurance doubly sure; it was not that he could add anything by personal testimony to what he had already sworn, but as he was there I had the discussion with him on the general terms.

Q. Was the reference that the provisional directors had raised money or Travers? A. It was only in a general way, whether subscriptions represented *bona fide* subscriptions or money that had been paid up—there was no reference to Travers or the provisional directors, and as it was only confirming what was in the affidavit it would not go into the details.

Q. The affidavit only says that the shareholders had only paid up so much? A. The list went on to say they had paid up in cash the specified sum.

Q. Looking at section 15 of the Bank Act: "The Treasury Board must be satisfied that all the requirements of this Act and of the special Act of Incorporation of the bank as to the payment required to be made to the Minister, the election of directors, etc., have been complied with". There does not appear to have been the practice of requiring the proof of election of directors to be certified by a production of the minutes? A. I do not think it is mentioned in the Act.

Q. It simply says the requirement of the Act as to the election of directors? A. Yes, there was no question as to the election of directors.

Q. They were to elect such number of directors duly qualified under this act? A. Yes,—do you refer to their qualifications?

Q. Yes? A. I do not think it has been customary to make any special investigation of that character, and the Bank Act does not contemplate it.

MR. COMMISSIONER: What did Travers' declaration say about that? A. He states in section 10 of his affidavit that they are qualified.

MR. HODGINS: "Duly qualified under the Bank Act to hold office until the annual general meeting"? A. I remember one case in which we found a director was not qualified because the shares were held in the name of the firm, and therefore they were not his individual property, and that had to be made good; but not in this bank.

Q. I think I touched on this this morning; it may be of general interest; there is no machinery apparently for investigating the acts of the provisional directors; what they had done with the money and how much they had spent on it before coming to the Treasury Board for a certificate; in this case they spent about $10,000 of what they had raised; they had only $150,000 left out of the $200,000? A. I think as a result of that in the draft of the new Bank Act which I introduced into the House there is some provision guarding against that. There are several things which we have learned from our experience in this case which will be found in the new Bank Act as laid before Parliament.

MR. COMMISSIONER: This bank started at first with paying 5%, and then paid 10%, and, according to Travers' statement, finally agreed to pay 15% commissions on the subscriptions obtained, and whether it was paid for by cash or by note, these commissions were payable; what do you understand as to whether that is a legitimate expenditure? A. That is one of the difficulties with bank promotions, especially where they are not finding a ready response to the movement; they have to canvass almost like life insurance companies to get subscriptions and they have to pay excessive commissions. That is one of the things in the new Bank Act we are seeking to guard against; it is an evil against which the public should be protected.

MR. COMMISSIONER: There was nearly 10% of the amount subscribed spent in preliminary expenses. Does Parliament pay any attention to the men who are behind an application for a charter for a bank? A. As a rule, people coming and seeking a bank charter always find some members of Parliament to stand up and guarantee their good faith, and eminent respectability. There is no machi-

nery whereby you investigate. During the last two or three years or longer I was beginning to put on the brake a little more and trying to get a little more information; I do not know that we were very successful. Whenever an application is made we find the Member of Parliament in charge of the Bill, or some members of Parliament from the section of the country where the gentlemen live will come and guarantee these are eminent gentlemen; that there is great need of banking accommodation; that the financial needs of the community are not met, and so forth, and it is a difficult matter for the Banking and Commerce Committee.

Q. They may be respectable men and yet no more fitted to manage a bank than run a circus? A. It is quite true.

Q. The good sense of Parliament—? A. Well, the good sense of Parliament would be "If Smith, Brown or Jones want to put up their own money and give it to these men to manage"—you cannot always supply good judgment to the man who has not any. After you have done all you can there will still be much that will be left to the individual judgment and responsibility.

Q. You would not give a charter to men to build a railway that you knew were simply stock jobbers and promoters? A. Do you think it has never been done?

Q. I would not say that? A. It is very difficult for a committee to sit in judgment upon men who come before them representing that they are going to do some good and holy work in the community and stand up and tell those men they are not to be trusted. You insult them, and the members of Parliament and the community in which they live. You cannot do it very well. But if the thing looks all right on the surface you are bound to give them a charter.

The Commission adjourned at 4 p.m. to meet in Toronto, June 12th, 1912, at 11 a.m. at Osgoode Hall.

Toronto, June 12th, 1912.

The Commission continued its sittings at Osgoode Hall, Toronto, at 11 a.m.

PRESENT:

HON. SIR WILLIAM MEREDITH, Commissioner;
FRANK E. HODGINS, K.C., and J. THOMPSON, K.C., representing the Dominion Government;
I. F. HELLMUTH, K.C., representing the Trusts & Guarantee Company.

JAMES JOHN WARREN, Sworn, Examined by:

MR. HODGINS: At the close of 1906, were you connected with the Trusts & Guarantee Company? A. I was.

Q. In what capacity? A. As managing director.

Q. And a seat on the Board? A. Yes, sir.

Q. Were you in full charge of the financial operations of the company? A. Under the Board.

Q. Would any important transaction take place without your knowledge? A. No, not unless I should happen to be away, and I was not during the course of this matter; I was there all the time.

Q. You finally did make an arrangement with Mr. Travers about an $80,000 loan? A. Yes.

Q. What course did the matter take, how was it opened up with you? A. Mr. Stratton brought Mr. Travers into my office some time in the fall of 1906, and he said he had met Mr. Travers at the King Edward Hotel; Mr. Travers wanted to get a loan, of, I do not know whether the amount was mentioned in the first instance or not, but a loan in connection with the organization of the Farmers Bank. We had quite an interview, the three of us in my room in the Trusts Company. Mr. Travers, whom I had never met before and never heard of before, told me he had been connected with the Merchants Bank for I think he said 20 years, or something like that, in a managerial capacity. He had a letter from Mr. Fish as to his relations with the bank when he left. He said he had been retained or engaged by the provisional directors of the Farmers Bank quite recently to complete the organization of it. He said the bank had been in process of organization for some time; it is a long time, but my impression is he said a year or more; that his predecessors in the position of, I do not know what you would call him, the manager of the organization, whatever they were, had spent some $50,000 of the bank's money in connection with the organization of the bank. He said he wanted to obtain a loan of $80,000 for the purpose of replacing this $50,000 that had been expended, and the remainder was going to go towards the organization purposes of the bank. He said that he had purchased or agreed to purchase from the provisional board I don't know how much of the notes of the subscribers— I think it was in the neighborhood of $100,000—and he had bought those at par, and that he wanted to borrow $80,000 from the Trust with which to partially pay for these notes. I understood that he had provided the difference himself. He looked to me to be a man—

Q. What difference do you mean? A. The difference between the par of the notes, the $100,000, and the $80,000, the amount of the loan.

Q. That he was providing that himself? A. Yes, he gave me that, that the difference between the $80,000 and the $100,000 he was providing for himself. He seemed to me to be a man of some standing and he impressed me very favorably.

Q. Were these statements made by him in the presence of yourself and Mr. Stratton? A. Yes, we were all there.

Q. Did Mr. Stratton seem at all surprised at the statement or question it in any way? A. There was not anybody surprised.

Q. The statement was that $50,000 had been expended by the provisional directors? Yes, I would not say $50,000.

Q. About? A. Yes.

Q. And that $30,000 was still to be expended in and about organization? A. No, he wanted that in connection with the organization of the bank.

Q. What is the meaning of that? A. He did not tell me how much money the bank had and how much money the bank needed. The transaction, as far as I was concerned, was simply a loan to him to enable him to pay the bank $80,000 on account of these notes which he had purchased.

Q. But the explanation of the $30,000? A. There was not any specific explanation about that. The only statement he volunteered was that he had been called in—

Q. Did you get the impression from him that $50,000 had already been spent, and that $30,000 more would be spent in the organization of the bank? A. No.

Q. What was your understanding of the matter? A. My understanding was the $50,000 had been spent by his predecessor in connection with the organization, that he had been called in at the last moment by reason of his experience to put the organization through.

Q. What about the $30,000? A. Difference he was using to pay up the balance, it was part of the $80,000 which he had purchased.

Q. What was the $30,000 for, did you understand it was on account of organization? A. No, I did not say that; I said in connection with the organization of the bank.

Q. Had you any understanding what he meant by that? A. No, I did not give it any serious consideration. The first question with me was we did not have the money to lend him and I told him so; and he said he had offered it to one of the banks and he had offered it to another Trust Company and he had not met with success. He said the banks were unfriendly, did not want any more banks and so on; I mean to say it was not a case of my telling you this or you must not say it or this is a great secret or anything of that sort. He says "I have been to this bank or to this Trust Company and Mr. Stratton has brought me in here to you."

Q. Had Mr. Stratton arranged he would have the loan? A. No, the matter was entirely at large. I do not recollect that Mr. Stratton said very much except of course he was present and he may have said something in connection with the matter, but of course Mr. Travers did most of the talking because he was telling us what he wanted. I told him we had not the money and we could not make the loan.

Q. Did it drop there? A. No; he then said, "Perhaps you could get the money; if you can get the money I will allow you a commission of $1,000; I am willing to pay 10% interest for the use of the money while I have it."

Q. How long was he going to use the money? A. He said he could pay it back within I think thirty days or forty days; it was a short loan.

Q. Do you remember when the interview was? A. I cannot do that, but I should say it would be a week or ten days before the advance was actually made.

Q. The 11th October is the date of the letter in Mr. Stockdale's handwriting connected with it, setting out what the terms were? A. Have you that letter?

Q. Yes? A. May I see it?

Q. Yes? A. The negotiations lasted over a week. I should say from these two letters which are exhibit 43 that the interview, the first interview with Mr. Travers, would take place either very late in September or very early in October 1906. There was quite an interval between that time and this time, because this letter was written when I got the $55,000 from the life insurance company. They were expecting interest and I wrote this letter saying he would have to pay interest from this date.

Q. The negotiations lasted about a week? A. I should say so.

Q. At that first interview did you substantially arrange that you would lend the money? A. No, I told him we could not lend the money.

Q. You would not lend it? A. That we could not.

Q. And the matter then went off so to speak? A. He said as I have said, that he would allow us a commission of $1,000 if we could arrange the loan; and I said I will see if I can get the money for you. That ended the interview.

Q. As a matter of fact how was the money when advanced contributed between you and the insurance company? A. $55,000 insurance company and $25,000 from the Trust Company.

Q. Did they get their share of the interest and their share of the $1,000? A. They got fifty-five eightieths of the $1,000 and the interest on their money.

Q. I suppose it would be fair to say it was that bonus that attempted the company to arrange the matter? A. I do not know what; I frequently am offered bonuses to arrange loans.

Q. I am asking in this particular instance? A. If Mr. Travers had not offered that bonus, had not offered some inducement, I do not think that as an officer of the Trust Company I would be particularly interested in the matter.

Q. Travers' statement originally to you was that he had purchased notes? A. That he had purchased or agreed to purchase these notes from the provisional directors.

Q. I suppose that naturally raised a question—you are a lawyer? A. Yes, I still pay my fees and am in good standing so far as I know.

Q. That raised a question in your mind as to the ability of the provisional directors to sell notes given for subscriptions? A. Quite.

Q. Who was asked to advise? A. I raised that question with him. I said, how can provisional directors sell these notes, and how can notes be transferred in this way. Of course I never considered the Bank Act before this matter arose and I thought it better not to do so since: I want to have my mind just as it was when this matter came along; and he said, "Messrs. Urquhart, Urquhart & Company or Mr. Thomas Urquhart had advised on the proceedings which led up to the taking of the notes from the subscribers and the transferring or the purchasing of them by him from the Provisional Board, and that of course Mr. Urquhart is a reputable practitioner, and I thought all right, that is a prima facie case anyway.

Q. Did you during the negotiations at all see the minute book of the provisional directors? A. No.

Q. To ascertain on what facts Mr. Urquhart based his opinion? A. No.

Q. Did you see Mr. Urquhart's opinion? A. I don't think I did; I am quite sure I did not.

Q. Who was called in to advise? A. I called in Mr. W. H. Hunter.

Q. Why was that? A. I thought, and I still think that Mr. Hunter is one of the best corporation lawyers we have in the profession.

Q. Are you giving this as the reason for calling him in? A. Quite.

Q. Was there any other reason? A. Absolutely none. He was not acquainted with Mr. Travers, did not know him from John Smith.

Q. Had he ever advised the Trusts & Guarantee Company before? A. I do not think he had particularly. We had had some business together, but I may say that my policy in the Trust Company is to try and get as many—

Q. I do not want that? A. You want the reason why I retained Mr. Hunter?

Q. Yes? A. The only reason was I thought he was more or less of a specialist, if you adopt a medical term, and I thought that by giving him this work that he would become friendly to the Trust Company and would reciprocate; that was the policy I pursued.

Q. You did not know he had any connection with Travers in any way? A. He did not have.

Q. You did not know he had at that time? A. No, I did not know it.

Q. When you say he had not are you quite sure of that, on what do you base that? A. I introduced them.

Q. Introduced him to Mr. Travers? A. He met Travers in the course of the—

Q. I would like to clear up this point; who explained to Mr. Hunter what the transaction was or was to be? A. As I recollect my instructions to Mr. Hunter, of course, you are getting ahead—

Q. When Hunter came to be consulted, who described to him what the transaction was to be? A. I did.

Q. Then afterwards you introduced him to Travers? A. Yes.

Q. What were your instructions to Mr. Hunter? A. My instructions to Mr. Hunter were to examine the proceedings of the Farmers Bank Provisional Board and to advise me whether if we loaned this $80,000 to Travers on the security of these notes we could have a security which we could enforce against the makers of the notes.

Q. Who were you lending to? A. We were lending to Travers personally; we had not recourse against the bank.

Q. I suppose you could hardly have recourse against the bank; it was only in the hands of the provisional directors at that time? A. That is all right, but—

Q. Did you realize that you could not have recourse against the bank? A. I did not realize it, because it was so stated by Travers. He said he had taken these notes without recourse to the bank, he was borrowing on them on his own security, on his personal security and the security of the promissors.

Q. Did he show you the notes? A. Yes.

Q. My recollection is they were without recourse as against the provisional directors? A. Endorsed without recourse?

Q. Yes? A. You have them. They were returned; they were all paid in due course; I suppose they are in the hands of the promissors now.

Q. You were dealing with Travers? A. Personally and exclusively.

Q. And because you did not think that you could get recourse against the bank under the circumstances—A. I did not think anything about it; he said when he came in there was to be no recourse against the bank. He said he had purchased these notes and the bank were not in any way responsible for the transaction.

Q. How did the question of recourse against the bank come up? A. He brought it up.

Q. Volunteered it? A. Yes. I fancy when the endorsement would come up without recourse that there would be probably something said at that stage.

Q. Did he have any of the notes with him? A. Not at first, no; he did not bring in the notes until I had arranged the loan.

Q. Perhaps you could tell us a little more how the loan came to be arranged? A. He went away after he had offered this commission, and the next day or the day after I thought of the insurance company—there is no use mentioning names.

Q. No? A. I am here, and there is no use in spreading it any farther; and I went over to the insurance company and I saw the general manager and I told him everything that Travers had told me, including that we were offered this commission of $1,000; and he said that he would lend the money.

Q. As a matter of fact, he lent it to you and not to Travers? A. Nominally that way, not really; what happened was, he was going to take the entire loan of $80,000 and he was going to allow us something out of the commission; that was our sole interest in it; but he telephoned in a day or two later and he found he could not spare more than $55,000. He said if we would provide $25,000 his company would provide $55,000 and we would divide the commission in the proportion of 55 and 25. That would be the transaction; and I called my Board together and submitted the matter to them and they authorized the loan of $25,000; and that is the transaction.

Q. Your Board had a report from you? A. Yes, it was done on my recommendation.

Q. Was your report in writing? A. No, never is; I am at the meeting.

Q. What did you report to them? A. I asked for authority to make the loan of $25,000. It seems to me I discussed it with the Executive Committee before; I do not do these things off my own bat.

Q. I ask you what you said? A. I said I thought the security was ample. We had Mr. Hunter's opinion and we had the notes and I investigated the security and I thought it was perfectly safe; and we made the loan.

Q. Are those two documents before you, exhibit 43, the only documents connected with the loan? A. Yes, sir, as far as I know, except the call loan agreement which he signed; he signed a call loan agreement.

Q. Have you a recollection of that? A. Absolutely, yes.

Q. It has not been produced in any of the proceedings in Court, either of the Farmers Bank or on any of the trials, no one has suggested it till Mr. Stockdale was in the box? A. I will tell you why I recollect it so clearly is the original transaction was to be a loan just on the notes and I had some doubt as to whether or not the company could legally loan upon notes, by simple endorsement, and I remember very well Mr. Hunter and Mr. Travers being in my office

one evening and I brought this matter up to Mr. Hunter, and I said, "Now, while this thing may be all right, don't you think that it would be better if we put this in the form of a call loan agreement?" Of course that made the loan payable on demand. Mr. Travers immediately objected and got angry and said that was not a fair deal; and Mr. Hunter spoke to him and said there is nothing in that; Mr. Warren simply wants to have the security in legal shape; and he said there is no objection that I can see to signing one of their blank form call loan agreements, and I am perfectly clear as to that happening because it was the first time I ever saw Mr. Travers angry, and I think perhaps the last, but I am quite sure that following that a call loan agreement was prepared and signed by Mr. Travers pledging the notes to the Trust Company.

Q. And that is what Stockdale must have meant when he says the hypothecation agreement? A. That is a more elaborate term.

Q. It is the same document? A. There was only the one document.

Q. It was just making the loan of $80,000 to Travers upon the security of certain notes? A. Yes.

Q. In the ordinary form? A. Yes.

Q. We could get one of those forms in your office? A. You could.

Q. Would it be in the same form as the $20,000 loan agreement? A. I think so. I know some years after we changed the form of the agreement. We had our call loan agreement revised some years ago, but I think it is the same form that we used at that time.

Q. This is the $20,000 one, Exhibit 49? A. Yes, that is the form. There is no doubt whatever that Travers executed a call loan agreement with respect of the $80,000 loan on the same form as that (as Exhibit 49).

Q. It would run the holder of so many promissory notes? A. Yes, the notes would be identified. You notice that is payable on demand under its terms.

Q. Yes? A. I am just trying to show the situation.

Q. What has become of that? A. I should say that, following our usual practice, we would hand it over to Mr. Travers when the loan was paid off. We do not keep the call loan agreements after they are paid off.

Q. That may be so; we have been unable to trace it? A. I would be very glad indeed to help you in any way.

Q. Look at this list of notes which has turned up since Mr. Stockdale was examined and tell me if that is the list that was made out at the time? A. I cannot tell you that; I should think so. Somebody has put in green pencil, "Trusts Company list". This looks as if it were a carbon copy.

Q. Did you use a green pencil in your office at that time; would not that indicate that you had written it on with an office pencil? A. That is not my writing and I don't know whose it is.

Q. This list of notes at all events totes up to $100,955, which is the amount in that letter, Exhibit 43? A. That is Mr. Stockdale's letter. I have no doubt that that is the list but I cannot identify it.

Q. I would like to know if you can tell me what that $32,300 is at the end; it says less $32,300? A. I should say (this is a guess, but it is an honest one) there is a note here February 26th, 1907, "Less list attached", that would indicate that on the 26th February, 1907, we handed over to Mr. Travers or somebody representing him $32,300 of this paper.

Q. What do you say about this list; there is produced the letter of the 11th October, 1906, stating that you have security upon $100,955 of notes and there is a list totalling up exactly that amount endorsed as the list of the Trust Company, what do you say about it? A. I say I think that is the list of the notes.

Q. There is no objection to marking it as an exhibit? A. I do not know if there is or not.

MR. COMMISSIONER: Let it be marked. You say you think that is the list but do not prove it.

EXHIBIT 76: List of notes left with Trusts & Guarantee Company, totalling $100,955.

MR. HODGINS: You do not throw any doubt upon it being the proper list of the notes? A. No.

Q. You told Mr. Hunter to go through the provisional directors' proceedings and he advised you? A. I told Mr. Hunter what I wanted to know.

Q. Am I right in that? A. I do not remember telling him to go through anything in particular; I told him to examine the proceedings and tell me whether Travers had the right to pledge the notes.

Q. Examine the proceedings? A. I do not say I used those words.

Q. Having told him that, did you describe the transaction to him? A. Just as I have told you to-day.

Q. You were lending on the notes? A. Yes.

Q. The whole question of Travers' title to these notes? A. His right to pledge them.

Q. There was nothing else in controversy? A. No.

Q. No other security, nothing else? A. No.

Q. What did Mr. Hunter report to you? A. Mr. Hunter reported to me that Mr. Travers' title was sufficient to enable the Trust Company to proceed against the promissors of these notes in case of Travers' default to repay the loan, and that no successful defence could be raised to an action on these notes by the Trust Company.

Q. Did he give you his reasons for that? A. No.

Q. Did you discuss his views? A. I did not; he was our solicitor and I did not.

Q. I want to know if you discussed his views? A. No.

Q. Of course you explained to him that this was intended to be used to complete the Government deposit? A. I did not.

Q. Why not? A. I do not know why I should, it was not; it was intended to be used to enable Travers to pay for these notes; there was nothing said—

Q. Nothing said about the Government deposit by Travers to you? A. I do not say that; that is not your question.

Q. Was there? A. Yes; Travers must have spoken about his Government deposit.

Q. And that this was intended to make up the balance he had to pay in? A. No.

Q. Tell me what he did say? A. I have told you the $80.000 was intended to enable him to pay for the notes which he had purchased from the provisional board.

Q. What I am asking is what was said by him about the Government deposit? A. He simply said he had to make this Government deposit.

Q. I understood this was going to make up the Government deposit. A. No.

Q. That he was going to so apply it? A. No.

Q. What did you suppose he wanted it for? A. It was going to be used in connection with the organization of the bank, but so far as we are concerned it was not going to create any Government deposit.

Q. I am asking whether you were not aware that he was going to use it in connection with completing the Government deposit? A. I have not any doubt he was.

Q. He told you that? A. I do not think he told me in so many words.

Q. At all events, you knew it? A. I do not say I knew it; the transaction was presented in that way.

Q. He either told you or did not, or you knew it or did not. I do not think there is any matter of difficulty? A. There is no difficulty in my mind.

Q. What did he say to you about it? A. I would like to answer you yes or no, but I am afraid I cannot. When he applied for the loan I thought we would make the cheque out for the $80,000 and he would take it and pay it to the Provisional Board and then he would become the absolute owner of these notes, and when we came to make the advance at his request the cheque was made payable to the Bank of Montreal in connection with his deposit for the Government.

Q. At that time you must have known that was its destination? A. Yes.

Q. And the money you were lending was being used to complete the Government deposit? A. Yes.

Q. You say that was at his request? A. Yes, it was not at mine.

Q. Did he make the request without giving the reason? A. He said it would save bookkeeping entries, that was all.

Q. Was that the whole explanation? A. Yes. When we came to make the advance I said to him how will I make this cheque out? He says, "you might just as well make it out to the Bank of Montreal. If I take it and give it to the provisional board they will have to issue their cheque".

Q. You were naturally anxious from the Trusts & Guarantee Company's point of view to get a good title to those notes? A. I had Mr. Hunter's opinion and I had the notes.

Q. You wanted a good title to the notes? A. I had a good title to the notes.

Q. Not before you advanced the money? A. When I advanced the money.

Q. You said the original idea was to advance it to the provisional directors? A. No, I did not—

Q. Advanced it to Travers so he could go up and pay it to the provisional directors and thereby acquire an undoubted title to the notes? A. I did not do anything of the kind.

Q. Then what did you say? A. I said the original transaction was that he would pay the $80,000 to the provisional board as part payment of the notes which he purchased.

Q. So as to what? A. So as to enable him to pledge them to us.

Q. That being the view I take it that you had taken on what the transaction should be, was his suggestion that to save bookkeeping entries it was to be made to the Bank of Montreal, sufficient reason was changed? A. Well, I do not know; there are two ways of looking at it. I thought it was reasonable or I would not have acceded to it.

Q. Did you think it was reasonable or did the question come up? A. Yes; we frequently loan a certain amount of money to a borrower and he comes down and says: "Make that payable to John Smith"; we frequently do it.

Q. I do not want to get into generalities; this is a transaction which was a comparatively large amount, of which you had full knowledge; you were advised that he could make good title to the note, that is what you were anxious to have as against the maker? A. Yes.

Q. You think that his suggestion to make it payable to the Bank of Montreal, in order to save bookkeeping entries was sufficient in view of your anxiety to get a good title? A. I was not anxious about it; and he asked me to do it and I did it, the same as I did many other things for him. I trusted the chap absolutely. He appeared to be a man in good standing; it never struck me to be unreasonable.

Q. Did you see the notes? A. Yes, I went over the notes.

Q. Did Mr. Hunter report to you that the provisional directors had endorsed them to Mr. Travers for the purpose of raising the loan? A. I do not think it was as definite as that.

Q. Have you got a copy of the minutes of the provisional directors? A. No.

Q. Did you ever get any written opinion from Hunter? A. No, and I never got a bill of costs.

Q. Did you ever know as to the resolution of the provisional directors? A. I did not; I never knew anything about the proceedings of the bank until this unfortunate matter went wrong, and then I got a lot of views.

Q. Were you present during any interview between Mr. Hunter and Travers before the loan was put through? A. Yes, several.

Q. What discussion took place between them, what explanation was given by Travers? A. I do not think there was any. My impression is that Hunter and Travers and I were in the office together several times before the loan was made. Of course Hunter's investigation or examination took place in the office of the bank and he went down; (that is my recollection of it) he went down and examined everything that was necessary to be able to advise us that Travers had the right to pledge the notes.

Q. That is you left the legal responsibility to Hunter entirely? A. Yes, to Hunter.

Q. And he did not disclose to you if he saw it, what the provisional directors had done with regard to the endorsement of these notes? A. No, never did, and I did not ask him; I do not mean to say he was asked anything that he did not—if I had asked you to advise on something—

Q. Do not please get off into hypothetical cases; you left the legal responsibility to him and he did not tell you if he knew of it anything of the provisional directors' actions. Had Hunter discussed the position of the shareholders, the subscribers, in relation to their shares that they had subscribed for and out of which these notes arose with you? A. No.

Q. Did that phase of it occur to you, that if you had a good title to these notes as against the shareholders that they would be entitled to claim that their shares were paid up? A. I do not remember that I considered that.

Q. Did Mr. Hunter ever suggest that to you or discuss it? A. I do not think so.

Q. You say you did not look at the Bank Act then? A. No.

Q. Did you discuss the terms of it with Mr. Hunter? A. No; I have no interest in the bank.

Q. You knew of course that deposits had to be made with the Government before they could call their meeting of subscribers? A. I think I did. I should say so.

Q. And that when the deposit was made the subscribers would meet and elect their directors? A. I do not think I knew that.

Q. You understood that the organization—? A. Would proceed.

Q. Would proceed? A. Probably.

Q. And the permanent directors be elected? A. I do not know that; if anybody asked me that now as to what the course would be—

Q. I am asking you, speaking of this transaction, what your knowledge was at the time? A. I did not have any knowledge about the steps that were being taken.

Q. Did you know anything about what preceded the issue of the certificate? A. No.

Q. Was the certificate mentioned to you? A. I do not think it was.

Q. How did you expect Travers to repay this money within the month? A. He said he was going to discount these notes after he got his bank organized.

Q. Going to get them back from you? A. Yes.

Q. And part of the arrangement was he was to get them back and discount them and pay you off? A. Yes.

Q. Did you intend to part with them before your loan was paid off A. No.

Q. How would he discount them? A. It would be coincident; he would probably discount part. I did not think he had not any money, you know.

Q. Your money was going on deposit in the Bank of Montreal, and you knew it had to be returned to Travers by the Government? A. Yes.

Q. And that would seem to be the easiest method of getting your money back? A. Well, it looks like that yes, but that is not the way the money came back.

Q. That was the easiest way to get it back, to make an arrangement that he should discount these notes which he had found difficulty in doing with other banks? A. Once his deposit was made and his organization completed he was in a different position; that is what he says; he says he would have no difficulty in discounting them. That sounded reasonable to me.

Q. Did you discuss with him getting it back out of the money that came back from the Government? A. No, we were not going to get it back out of that identical fund.

Q. Did you discuss that with him? A. No.

Q. Did you point out any difficulties? A. No.

Q. And he did not? A. And he did not, and I never knew how much he had, he never told me.

Q. You never found how much he had to put up? A. No, how much cash he had.

Q. How much he had to put up in the Government deposit in all? A. I did; he put up $250,000, because he told me.

Q. You did not know how much he had of that? A. No.

Q. I thought you understood he was borrowing what he still required? A. No, I did not understand it that way.

Q. You thought he might have to borrow the balance elsewhere? A. No, I did not.

Q. You did not think that? A. No, I do not think that is right to insinuate.

Q. I am not insinuating? A. No, I know you are not, you are suggesting it.

Q. Did you think he had to borrow money elsewhere or that that $80,000 was all he wanted? A. The $80,000 was all he asked us for.

Q. That is an answer to the question? A. I do not know what else his needs were.

Q. I wanted you to tell me whether you understood that that was all he wanted or that he was going to borrow money elsewhere? A. I do not think he was borrowing money elsewhere; it was never discussed.

Q. He told you he had been trying to get this from the bank and from another Trust Company and so on? A. Yes.

Q. And were not you aware that if you loaned him this money it would complete his organization? A. Yes, I think I would be aware of that fact.

Q. It was the final step so to speak? A. Yes; he said if he got this $80,000 he could complete his organization and go ahead with the bank and then he was all right.

Q. Were the notes deposited with you? A. According to that list?

Q. Yes? A. Yes.

Q. Were they deposited before the issue of the cheque? A. Yes, I think so.

Q. Are you sure? A. Yes. Well, I do not know, I have never looked into it, but I assume so.

Q. Is it too long to recollect? A. I have not any recollection about it at all in that respect.

Q. Did you about that time get the notes in fact? A. Why, yes, beyond any question, they were the security.

Q. In view of the arrangement you had made, if I am right in calling it an arrangement, you did after that hand over notes from time to time to Travers? A. I do not think we handed over anything until some time in February.

Q. Were you asked to? A. No.

Q. When your loan came due within a month? A. It was not paid and it was not due in a month; it was a demand loan.

Q. I understand but you took that in that form, but it was quite understood he was to have a month, he was paying $1,000 and he was to have a month? A. At least, and he had three I think.

Q. To complete his organization; assuming it came due in about a month it would be a little after the 11th? A. It would be, say, the 15th November.

Q. Did he apply either at that time or say in December for his notes back? A. He never asked for the notes not until February.

Q. Did you say to him "Now, you are to discount these notes and pay me off, and I want that done"? A. No, I never asked him for that.

Q. Were you conscious he was paying you back in December? A. He started in to pay back.

Q. Were you conscious of that? A. Absolutely conscious.

Q. You knew he was not discounting the notes to do so? A. He did not say where the money came from, he was not discounting the notes; we had on hand.

Q. Did you know where the money was coming from? A. I did not.

Q. Did you know then? A. It was a cheque of the Farmers Bank.

Q. Did you know it was part of the moneys returned by the Government? A. I did not.

Q. Did you ask him? A. I did not.

Q. Do you know of any other money it could come out of? A. No.

Q. You knew it was not in accordance with what had been arranged as to the discount of the notes, I should think it would have excited your curiosity? A. I do not know, when a man comes in and gives me $25,000 or whatever it was, I take it.

Q. You might have a feeling of curiosity to know why you were getting it back in a different way than you had arranged? A. I fully expected he would get the notes all at once; I did not know what financial arrangements he had made.

Q. Why was the cheque given in the way it was through Mitchell? A. The explanation is very simple. He came in and said, "I am going to pay you something on that loan" and I said "all right"; he said "I am paying it through the Traders Bank,—some bank—" and he said "I do not want them to think that you are getting any part of their deposit, because they are going to act as the bankers for the Farmers Bank and I propose making the cheque payable to so and so, and he mentioned somebody and having that man endorse it to you". I did not like it, but he had all the time been telling me of the opposition of other banks and of the difficulties he was in, and one thing and another and I said, "I do not suppose we should mind how we get this money, but if you want to do it that way, I would rather have it made payable to our own broker and let him endorse it over to us". I remember very well, he said, "that is better, I would sooner do it that way, because the Traders Bank will think I am buying some stock".

Q. We know just how it did happen and that would quite accord with your evidence? A. There is no doubt how it happened.

Q. I am not going to dwell on it: what was the point that Travers raised about the Traders Bank? A. They were his bankers, and if he withdrew these sums from the account, they would think that part of the deposit was being transferred to us as a savings deposit.

Q. What deposit? A. The bank funds; he was paying it out of the bank funds.

Q. Funds on deposit in the Traders Bank? A. Yes.

Q. He told you he had got his money back from Ottawa? A. Oh yes; I do not remember his telling me, but there is no doubt he did tell me.

Q. Was the arrangement as to Mitchell repeated on the payment of the second? A. And the third too.

Q. Was that loan paid off in December? A. I will tell you exactly what happened. He paid I think perhaps either twenty-five or thirty thousand dollars first; I never saw any entries in our books in connection with this matter until a year ago last January.

Q. There were three payments? A. He paid that say to-day, and it went through in the way I have said. In two or three days perhaps he paid thirty thousand dollars or twenty-five thousand dollars, in two or three days he paid the remainder.

Q. With interest? A. Yes. When I got the first payment I took it over to the insurance company and paid it to them; I kept the next one, I think it was $25,000. He made the third payment and I think he made it—I do not remember exactly, but it seems to me he made it in the afternoon. The next morning he came down to me and he said, "now, you have got these moneys and I find that the banks are fighting me very hard; I want to open for business and I want to be as strong as I can; you have got all your security; now I want you to treat those moneys that I have paid you as the property of the Farmers Bank, put them to their credit or its credit, and I want you to extend my loan for a few months for us". "Well', I said, "we are not loaning this transaction"—I felt sorry for the chap, I was sympathetic, I might have been willing and I was, and I said, "I will have to go over to the Life Company and see them".

Q. Had you paid the third payment over to them? A. No, we had written out a cheque to them, but it had not gone; that is what the book would indicate. I went over and saw the manager and told him exactly what Mr. Travers had said and he said it was getting on towards the end of the year. I asked him to give us back the $25,000 or whatever it was we had paid him. They said it was all right, but they had made their arrangements for the close of the year, the 31st December, and they did not want to sell anything or change anything, but that the $30,000 or $35,000 the remainder could stand; and I spoke to our executors and told them we would have to assume this deposit, that is the money that the Life Insurance Company had received and let the matter go on, and our people were quite agreeable; the entries were changed; the moneys that had been applied on Travers' loan were converted into the property of the Farmers Bank and I gave him a letter setting out that from the dates these moneys had been received they were the property of the Farmers Bank with interest. The letter is somewhere. He said to me, "now, what I will do is, I will be getting in some moneys myself, and then I have got these notes which will be being paid from time to time and I will deposit in a special account to my credit, my personal credit, funds from time to time and these notes can be applied in reduction of my loan until it is paid off.

Q. His personal account with you? A. He only had the loan account.

Q. Was that deposit with you? A. He was going to open a personal deposit account with us in his own name or money to retire this personal loan.

Q. How long did it take to arrange with the Insurance Company to go over and see them and come back and arrange with your executive? A. I do not suppose I discussed it with anybody except Mr. Stratton; I do not think it would take more than half an hour or an hour.

Q. Was he in town that day? A. I think so.

Q. Do you remember discussing it with him? A. Oh I discussed it with him.

Q. That day? A. Oh I think so, yes.

Q. Then you were going on to say something more? A. When I look at the book I see that he did open the account.

Q. In his own name? A. No.

Q. In whose name? A. In the name of the Farmers Bank of Canada.

Q. That was not the arrangement? A. No.

Q. This loan you said had been a loan to Travers? A. Yes.

Q. What was said by him about changing it to the Farmers Bank? A. It was not changed.

Q. Mr. Stockdale says it was? A. I cannot help what Mr. Stockdale says.

Q. And that he struck out certain words at the top and made it deposit belonging to the Farmers Bank? A. That is not the loan; I think you are confusing the deposit account with the loan account. The loan account was opened in Mr. Travers' own name and continued that way to the end of the chapter.

Q. When was the end of the chapter? A. I should think some time till about the end of March, 1907.

Q. The end of the chapter was not on the 18th December, 1906? A. No.

Q. On the 18th December, 1906, which was the date at which the entries were reversed, was the money put then to the credit of the Farmers Bank? A. Yes.

Q. Then was Travers' loan paid off? A. No.

Q. Did you have both a deposit to the credit of the Farmers Bank and the loan outstanding? A. A loan to Travers.

Q. Outstanding? A. Yes.

Q. The moneys paid went to the credit of the Farmers Bank and who did the notes belong to? A. Which moneys?

Q. The moneys which had been paid in those three payments to you? A. Yes, they had been first applied to Travers' loan.

At Mr. Hodgins' request, the reporter reads the second question above: The moneys paid went to the credit of the Farmers Bank and who did the notes belong to? A. That is a beautiful question.

MR. HELLMUTH: That is a double question.

MR. HODGINS: All right, split it up.

MR. COMMISSIONER: Go on and answer the question? A. The situation was when these three payments came in they were applied on Travers' loan, and Travers came to me subsequently, these credits were taken out of Travers' loan account and were put to the credit of the Farmers Bank of Canada and the moneys represented by these three payments became a deposit of the Farmers Bank of Canada, and then the Travers' loan went back to the condition it was in before the payments were made.

MR. HODGINS: Whose were the notes? A. They were Travers' notes.

Q. In your possession? A. Yes.

Q. As taken in hypothecation? A. We had not given up our hypothecation.

Q. You did not take any new one? A. No.

Q. I suppose you thought it a little peculiar that just the day after he paid the thing off he should want to put it on back in a different form? A. Yes.

Q. Were you satisfied with his explanation? A. Yes, or I would not have given the letter.

Q. What did you know about Mr. Knight coming up? A. I do not think I knew anything about Mr. Knight.

Q. Did he tell you Mr. Knight had been there worrying him? A. I do not think so; his language was general; he said he was going to open the bank and the banks were making trouble for him and he wanted to open strong.

Q. Did not he hint in any way or suggest that the Canadian Bankers' Association were giving him trouble and he wanted to show them that? A. I do not think he was at all specific. My impression is—it is a long time ago—my impression is he just said he was going to open up and the bankers were making trouble for him or were going to make trouble or were liable to make trouble and he wanted to open strong.

Q. Is this letter I show you a copy of the letter, your original was dated December 18th (Exhibit 56)? A. I think that is a duplicate of the deposit receipt that I gave him.

Q. He took it away with him? A. Yes.

Q. You got nothing from him in writing? A. I do not think so. You see the transaction reverted to its original form.

Q. Was that a usual sort of thing to do? A. No.

Q. Suppose he afterwards denied and said he paid it and you had no claim on him, no claim on the notes, where would you have been? A. We had the notes.

Q. Suppose he made that claim? A. I never thought of that; I never thought of Travers in any way but as an honorable man; he never made me a promise he did not keep.

Q. Even with honorable men you would take some document of some kind to indicate what the transaction was really? A. I had the notes and the transaction showed.

Q. That is all you can tell us about it? A. Yes.

Q. You won't go any further as to what he said to you about Knight or the Canadian Bankers' Association? A. I cannot say anything more than I have said.

Q. Had he borrowed more money from you than $80,000 up to that time? A. He had borrowed $20,000 some time later in October.

Q. What was that for? A. Between the time of our loan or the first loan of $80,000 and the second advance the Ontario Bank failed, and that upset everybody's calculations for a time. He came to me, I should say perhaps two weeks after the $80,000, I don't know exactly, and he said one of his subscribers had promised him $20,000 in cash, and I think he said his name was Devean, I am not sure, but I think so; he said Devean had subscribed for the stock and he had a lot of securities which he expected to sell and was going to sell, but on account of the failure of the bank he could not market the securities at the present time. Travers said he had arranged with Devean to take the securities over and that he, Travers, would pay up Devean's subscription in full, he borrowing the $20,000 on the securities himself, and he brought me in, I do not know what they were now, I think they were some Canadian—

Q. It is all set out in that loan agreement? A. Yes; and we loaned $20,000 on the security of that stock.

Q. Who did you loan it to? A. To Travers.

Q. Both these loans appear to have been specifically to Travers? A. There is no doubt about it.

Q. You had a purpose in that? A. What do you mean?

Q. I mean it was intentionally loaned to him so that it would appear not to be loaned to anybody else? A. I do not know, the loans were applied for by Mr. Travers, the security was provided by Mr. Travers, and I looked upon the loans to Mr. Travers personally and not to anybody else.

Q. How did it come the $20,000 cheque was payable to the Bank of Montreal? A. At his request, just the same as the $80,000.

Q. What excuse did he give for that? A. Just the same.

Q. To save bookkeeping entries? A. Yes.

Q. Did you accept that excuse? A. I did.

Q. You got, I think, on that loan some stock and also some notes? A. Yes.

Q. Were any of those notes to the provisional directors, do you remember? A. I do not remember, but I think so; I think they were part of the notes—I do not know—I imagine they were.

Q. Did Mr. Hunter advise on that? A. No .

Q. You took that on your own responsibility? A. I loaned that on the securities other than the notes; I think the security was ample without it.

Q. Some shares in the Dominion Permanent, you knew their value? A. I investigated into the security and I thought it was ample.

Q. That you knew was going to complete the deposit with the Government? A. It was going to make up the deposit; I do not know whether it was going to complete it.

Q. He explained he was unexpectedly short? A. No, he did not say that; he said this man had unexpectedly failed to pay him $20,000 and this was the way he was going to get it.

Q. You loaned him another sum, $2,380? A. Yes.

Q. He was at the end of his resources, I should judge, because he pledged you his life insurance payable to his wife? A. I do not know whether he was at the end of his resources, I should not have been surprised that he had been; he had quite a task; I would not have been surprised if he was getting a bit short about then.

Q. Did he apply for the $2,380 loan? A. I think so.

Q. Did he explain its purpose? A. Yes.

Q. What did he tell you? A. He said Mr. Laidlaw was making trouble for him among some of the shareholders up there in Halton, and he proposed to meet the situation by taking over some of the shares of the people who Mr. Laidlaw had influenced against him and he needed this much money, I think, to take over the shares of the people who were discontented.

Q. Did Mr. Hunter advise in that matter? A. I think he did.

Q. For the Trusts & Guarantee Company? A. Yes.

Q. Why was he called in then? A. I do not know.

Q. He had not been in the $20,000? A. I do not know, I cannot tell you that.

Q. Was it not for fear of litigation that Laidlaw was bringing, that made you anxious? A. I never was afraid of Mr. Laidlaw.

Q. I asked you if you were afraid of the litigation he was bringing? A. No.

Q. Why was Mr. Hunter retained? A. I do not know except that he drew the assignments of the security, and I do not know why he was not retained in the $20,000 matter except for the fact that we had these other securities.

Q. I suppose you realized that Mr. Laidlaw's litigation if it went on would prevent the organization of the bank? Did you inquire about it? A. I did not.

Q. Did you see the writ? A. I did not.

Q. Who did you leave that to? A. I did not have anything to do with it; the writ was not against me.

Q. Did you leave that to Hunter? A. No.

Q. What were his instructions? A. He had not any from me.

Q. Was he acting for you? In that action?

Q. Yes? A. No.

Q. In connection with that loan? A. $2,380? Your question gave me the impression you meant the writ. He had no instructions from the Trust Company or from me in respect of the Laidlaw action.

Q. Not even to look into it from your point of view? A. No, he did not have a watching brief.

Q. I am not speaking of brief at all; it was litigation that was tying up the organization of the bank and you were lending money to get rid of it, and I suppose you instructed him to—? A. We did not lend the money to get rid of the litigation. Mr. Travers said Mr. Laidlaw had made him a proposition, that if he, Laidlaw, was made the solicitor for the bank that his difficulties would disappear. I did not ask Mr. Laidlaw anything about it, but I saw the difficulty. Mr. Travers told me he had refused to make terms with him, and he wanted to

borrow a few thousand dollars to get rid of the shareholders who had become disgruntled through Laidlaw's interference.

Q. That would have been no interest to anybody if it had not stopped the organization of the bank would it; did you understand that it was standing in the way of the organization of the bank? A. I did not.

Q. Did you understand Travers' anxiety to get the money? A. He did not seem to be very anxious; he wanted to fight Laidlaw, he wanted to kill Laidlaw.

Q. Notwithstanding he pledged his life insurance he did not seem anxious to get the money? A. He wanted the money; I did not see any anxiety about him particularly.

Q. This was an ordinary business transaction as far as you were concerned; he was quite calm and not excited about Laidlaw? A. He was quite calm about the transaction, but he was not calm in regard to Laidlaw.

Q. Did he say to you that Laidlaw was making charges which would prevent him getting that certificate? A. No.

Q. He did not give you any cause of anxiety at all? A. Not the slightest.

Q. You just lent the money? A. Yes.

Q. Did you know that he was so anxious that before you had advanced the money he had actually sent out there to buy them off—the transaction took two or three days to go through? A. I do not remember that. I have no doubt he sent out to these shareholders in some way or another. Mr. Watson was acting for the bank in that matter.

Q. I understand your evidence to be that nothing in his manner or in what he said to you indicated that he was at all afraid of the result of the Laidlaw action? A. He did not give me that impression.

Q. He was mad at Laidlaw himself? A. Yes. I do not want anybody to think that I condemn Mr. Laidlaw for anything; I am just telling you what Mr. Travers said to me, because, so far as Mr. Laidlaw is concerned I have never had anything but satisfactory business relationships with him.

Q. You did not instruct Mr. Hunter to see the action was properly got rid of? A. No, Mr. Hunter did not act for us at all in that.

Q. Just in putting the loan through? A. Except in that respect.

Q. My recollection of Mr. Hunter's evidence is a little different from that, but I am taking your recollection now? A. I am giving it to you to the best of my recollection.

Q. Did you meet Mr. Hunter and Mr. Travers down in Mr. Watson's office at night? A. I think I did; I think I was over there once.

Q. In connection with this suit? A. I think so.

Q. How do you make that agree with what you say, that you were taking no interest in the suit and did not instruct him to see it was got rid of? A. I do not know I am sure; I have a recollection of having been in Mr. Watson's office in connection with it, but I have no recollection of what occurred, and I did not feel I was interested in the matter at all except to still further help Travers in his necessity.

Q. Had you more than one interview at night? A. You mean with Watson?

Q. Yes? A. I do not think I ever had an interview with Watson at night; I think it was in the day time.

Q. Who was with you? A. I think Mr. Hunter, and that is all; I am not sure.

Q. Was the action discussed? A. I think Mr. Laidlaw was more discussed than the action.

Q. Or Mr. Lindsay was? A. I do not think so; my recollection is I never met Lindsay until we both attended Colonel McLennan's funeral at Williamsburg; I did not know him.

Q. Mr. Hunter says his recollection is he met you, and Mr. Travers and Mr. Lindsay, and he discussed the matter; "the question came up who should act and I advised them to go to an independent solicitor and they went"? A. I think I have somewhat of a recollection of Mr. Hunter saying to me that he did not propose to act for the Farmers Bank in connection with this matter. He had been acting for the Farmers Bank; after the loans went through he was retained by Travers and had been acting for the bank in the interval, and my recollection is that he told me that he did not propose to act for them in connection with this matter. He would tell me that I suppose in connection with the loan going through; I know, as a matter of fact, that Mr. Watson's firm acted; the record will show.

Q. Mr. Hunter was asked about this litigation this question (page 278): "That was awkward litigation both for the Trusts & Guarantee Company, who had arranged the loan, and for the Farmers Bank, was it not? A. I could not speak as to the Farmers Bank, but I should not think it would be awkward as far as the Trusts & Guarantee Company are concerned; it was a question of whether they had their security or not.

"Q. Was not your security attacked in that action? A. I do not think so.

"Q. Was it not impeached? A. I do not think so. The Trusts & Guarantee Company were not a party to the litigation." You had only the one interview as I understand it? A. With Travers.

Q. With Travers, Lindsay and yourself? A. I do not recollect Lindsay being present; I do not recollect Travers being there, but my recollection was that Hunter and I had some interview with Mr. Watson.

Q. That, however, you think with Mr. Watson you had in the day time? A. I think so, but I do not want to be too positive.

Q. I think it is Lindsay who gives the account of it, of a meeting at night between himself and you and Travers, and then going down to Mr. Watson's office; I do not think it was at night, I think it probably was the next day; would that occur? A. No, I cannot remember meeting Mr. Lindsay at all; he does not appear in the landscape at all to me until long after.

Q. He did keep in the background more or less? A. I did not put him there.

Q. With the reversal of that entry in December the 18th, the loan to Travers was still left outstanding, according to your contention? A. Yes; it was then it became $35,000 from the insurance company and $45,000 the Trusts & Guarantee Company.

Q. You appear to have been paid off, if one may speak of it in that way, some time during the early part of the following year of 1907? A. I think it was some time in March, some time about the end or middle of March; I do not know except from looking at the books.

Q. According to the books, there was a deposit account opened in your books in which the Farmers Bank made deposits? A. Yes.

Q. Were they ordinary deposits or deposits of Farmers Bank circulation? A. They were ordinary deposits, as far as I know, I did not know anything about the deposit of circulation until long after.

Q. Anyway, it appears to have run on till I think April the 8th? A. I do not know.

Q. Mr. Stockdale was examined and he gave us the details of it? A. He is an accountant and I am not.

Q. Were they actual deposits made? A. Oh, yes; that is as far as I know.

Q. Deposits made with you and then were cheques given? A. Yes, you mean cheques drawn against it?

Q. Yes? A. But I think those cheques should have been charged against the deposit account that was made up of those three entries.

Q. What cheques are you speaking of? A. There was the loan account, and there was the original deposit account of the Farmers Bank made up of those three cheques which you call reversed entries and then some time in January a third account was opened up, Farmers Bank deposit account, and in that account various amounts were deposited, and then cheques were drawn by the Farmers Bank on the Trust Company; those cheques were charged up to that third account; I think they should have been charged to the deposit account because I have said this third account was to have been opened as I understood Travers, in his name, and he was to put moneys in there from time to time and as they accumulated they were to be applied on the loan until it was wiped off.

Q. It would seem to me that in that case the cheques upon that account would have been the proper way of paying off his loan? A. No.

Q. And that was the system adopted? A. No, he withdrew his deposits; I never saw these accounts until—

Q. He did not withdraw his deposit in the sense of withdrawing a cheque against that and getting it out? A. No, I can only tell what I had in my mind.

Q. You think the cheques should have been charged to a different account against deposits? A. It would have left the balance just the same.

Q. The coincidence of course is, it makes up just the exact sum that was required—A. Yes.

Q. Can you throw any light on it at all? A. No.

Q. Who had to do with the chequeing as between the Trusts & Guarantee Company and the bank? A. I do not know.

Q. Were you ever consulted about it. A. No.

Q. Did you know anything about the amount Travers was depositing in that account and the amount of cheques he was giving? A. No.

Q. Or to their application? A. No.

Q. Who knew? A. I do not think anybody knew anything about it till the end of March when they came down and cleaned up the whole transaction.

Q. He was making deposits and then drawing a cheque against it and having it applied in a certain way; who would know about that? A. It was not applied at all.

Q. Then you think nobody would know anything about it? A. If the man has an account with us and deposits moneys and draws cheques against it that is the ordinary course of business.

Q. Who would know that ordinary course of business? A. I do not think anybody would unless somebody wanted an overdraft and then they would not get it.

Q. Nobody but you and Stockdale would know anything about that account? A. We would not know anything about it only when he tried to draw a cheque and we did not have the money; it would only happen in such a case and then the ledger keeper would come to us.

Q. Were any instructions given in the office as to the account? A. Take in deposits and pay out cheques, to that extent; those are general instructions.

Q. Was not the understanding that he was to open a deposit account in his own name and that was to pay off his loan? A. I thought so.

Q. You gave your instructions that money would be received and cheques paid on it? A. Not specifically; those were general instructions.

Q. So that there were no specific instructions which would carry out the arrangement between you and Travers? A. Absolutely none.

Q. Apparently what was done would indicate the way in which the transaction took place between those who dealt with it? A. I do not think there is anybody, to be perfectly fair, I do not think there is anybody in the Trust Company knew anything about these accounts after the time that the special deposit account was opened for the Farmers Bank.

Q. Did you look into the books at any time? A. Never.

Q. Did you know when he paid out of the so-called deposit? A. I think I was in the office in March when he came in and gave a cheque and cleaned up the three accounts or four accounts at once, whatever they were; but I cannot recollect what occurred.

Q. Did he pay them over to you? A. I do not think so; I think he paid them off downstairs.

Q. What arrangements were made by Travers as to deposits to be made by you in the bank; there was a matter of fact deposits made by the Trust Company in the Farmers Bank. A. Yes.

Q. Were they accidental or was there any arrangement made before the deposits were opened? A. I do not remember anything special; there is not a bank in town that does not solicit us for some of our money.

Q. I know? A. I cannot remember anything special except I have no doubt he asked if we could not deposit some of our moneys there.

Q. Was there any arrangement made as to the rate of interest? A. Yes, there was an arrangement made whenever the deposits were made.

Q. Who was that made by? A. Between Mr. Travers and myself.

Q. What was he to allow you? A. I cannot remember; the entries will show for themselves.

Q. Whatever the interest is calculated at? A. Yes.

Q. There was an arrangement anyway that the usual rate of interest, I suppose, should be allowed? A. We are having a little difference; it has not assumed a serious condition as to what interest we should allow on deposits; you are not dealing with that—

Q. I say what interest did you get from the Farmers Bank? A. Whatever the account shows, that is what we got.

Q. Is that according to the arrangements? A. Yes.

Q. You deposited some moneys belonging to the Hamilton Estate? A. No, there was no Hamilton Estate, it was liquidator's money.

Q. The Hamilton liquidation? A. Yes, we have accounts with nearly every bank in town; I want to make it clear we did not make any exception in the case of this bank. We have to put liquidator's money in a chartered bank; we spread our favors around in order to get reciprocity.

Q. What was the interest in that? A. I think we were to get 3%.

Q. Does that belong to the company or to the trust? A. It belongs to the creditors.

Q. What would come to the Trusts Company itself would be the interest—? A. On the open account.

Q. That is the case? A. That it is only on open account?

Q. Yes? A. And possibly some of that would be some trust money on which we would have to allow interest.

Q. Contemporaneously with the opening of those accounts was there any account opened by the bank with you? A. I do not know; I do not think it is contemporaneous.

Q. Just about the same time? A. I do not know.

Q. What arrangement did you make with regard to circulation with Travers? A. That was long after, was it not?

Q. After what? A. After the deposit account was opened; I am not sure; I will tell you what the arrangement was: Mr. Travers said to me frequently that he was having trouble getting his circulation out, keeping his circulation out a normal length of time. He said the other banks were unfriendly and that they were in the habit of instructing their branches to send Farmers Bank currency in to Toronto the minute it was received, and then they would combine and throw a large amount of circulation at him through the Clearing House. I do not think at that time but subsequently he told me they opened the Clearing House especially for him one Saturday, hit him for $35,000.

Q. Mr. Fielding said the Bankers' Association took him and welcomed him in their arms? A. I am not responsible for what Mr. Fielding said on any subject. We have no currency of our own, no Trust Company can issue currency, but our customers, people having deposits with us come in and draw funds and we were in the habit of carrying from $5,000 to $10,000 in cash in our tills so as to pay any cheques that were drawn on us; and having told me of his difficulties with the other banks, he said "You can help me here without hurting yourself." He said, "You can pay out at least a part of your withdrawals with Farmers Bank notes." I said, "All right, glad to help you."

Q. What help did he indicate that would be? As I understand his trouble was the circulation was coming back too quickly through the Clearing House? A. Yes.

Q. How were you helping him in sending out his circulation? A. When we paid it out it did not go into a bank ordinarily. This was his explanation to me, it would go out to John Smith who was a grocer and he takes it up to his store, and he pays it in change to his customers, and they go down to another store and it stays out for five or six weeks before it gets into the Clearing House, and he has to redeem it then. Do you understand the Clearing House?

Q. Yes, sufficiently for this purpose. What was the difference between the circulation he would pay out over the counter and that which you would pay out over your counter. A. No difference at all, except that the volume would be increased by the amount that he would pay out.

Q. That is more circulation would go out through you? A. Yes, and if he had five or ten thousand dollars on deposit with us he could draw it at any moment, which he did; and then on the other hand being in that position he could lend some of the funds, specie and legals and one thing and another which he had in his own treasury at 6 or 7%, relying on being able to get the five or ten or fifteen thousand dollars if he needed it.

Q. In other words the circulation which was deposited with you was put to the credit of the Farmers Bank in your books. A. It was.

Q. And you made use of it? A. Certainly.

Q. That account would be a credit account to the Farmers Bank? A. Yes.

Q. And they could send down and draw on you? A. Yes, draw on us, and we would give them a cheque on the Bank of Montreal, or we would get legals.

Q. I quite understand the benefit of depositing with you in that way? A. Yes.

Q. Have you explained all he explained to you about the alleged benefit by your admitting circulation? A. I think so; it is generally supposed a bank has a decided benefit in being able to have circulation and circulate it. I think the banks would be very sorry if that privilege were cut off.

Q. They have not got far enough to say there is benefit from circulation when some one else comes in between that they deposit it with? A. I think they have.

Q. However, I do not want to discuss that with you? A. Very well.

Q. What arrangement was made with regard to the interest you would pay on the deposit the Farmers would make with you? A. I think we allowed them 2½ or 3%; I am not sure, but our books show.

Q. Mr. Stockdale says that lasted only for a short time? A. It lasted for quite a considerable time.

Q. How long? A. I do not know; the books will show.

Q. Just as long as the books show? A. Yes.

Q. He was professing to speak from the books? A. Very well.

Q. My recollection is he said there came a time when the arrangement was done away with? A. I went to Mr. Travers and I said "this account of yours is a little too liquid, it is moving too fast, you come down and want five and ten and fifteen thousand dollars sometimes and we have to be ready to give it to you. If you had your account with any other bank you should not get any interest on

it". He said, "no, I would not". I said "why should we pay you interest"? He said, "I don't think you should"; and the interest had ceased.

Q. What do you mean by the account being too liquid? A. I mean to say the payment of interest on the deposit is really based upon the depositary having the use of the money for more or less permanent period. If the money comes in to-day and goes out to-morrow or goes out the next day, or if the balance is not settled or more or less permanent, there is no benefit from acting as a clear storage.

Q. The money did not go back to Travers the next day? A. No, the circulation never went back, but when he would come down and ask for ten or fifteen thousand dollars and we gave it to him in legals, it kept this balance bobbing up and down and what I wanted was ten or fifteen or twenty thousand dollars as a permanent balance or more.

Q. And this conversation could not have occurred until he commenced to draw out considerable sums every few days? A. I do not think that, it would depend on how much he would have.

Q. The state of the account generally is this, that these deposits which ran at $500 and $1,000 a day would start in and continue and there were only a couple of cheques during the year drawn against that? A. I do not know; that was the conversation I had with him.

Q. Can you place at all when that was, because the account towards the close of the bank's career commenced to get pretty active? A. I may say I was not in the Trust Company at all scarcely; I was away entirely from about the middle of February to pretty well on to the end of March, 1910, and I was away practically from the 1st June to the end of November, in the same year at some special work in the West.

Q. This circulation deposit account commenced in January, 1909, you were there all during 1909? A. Well, I am not seeking to avoid any responsibility and I think the arrangement was made before February of 1910, under which the rate of interest was taken away.

Q. Would it not be shortly before that? A. Of 1910?

Q. Yes? A. That is my impression; my impression is that account ran with interest from the time it was opened for a matter of seven or eight months, but I am not sure.

Q. Do you remember the occasion of getting the account changed into the form of a deposit receipt? A. Do you mean $120,000?

Q. Yes? A. Yes, I do.

Q. Would that throw any light on the date at which you have had this conversation with Travers? A. No, I do not think so; I think it was quite considerably later.

Q. When the books show that interest ceased, that would be about the date of the conversation? A. Yes, I think so.

Q. And at that time the reason you gave him was that his account was too active, he was drawing too much out of it in legals? A. Not in legals; he was drawing on it.

Q. What did you give him? A. I gave him a cheque on the Bank of Montreal.

MR. COMMISSIONER: That is plain; he was not leaving a stable balance enough in the company; what is the use of elaborating it?

MR. HODGINS: As a matter of fact he was leaving it.

MR. COMMISSIONER: That is what Mr. Warren's, evidence is? A. Yes that is my evidence.

MR. HODGINS: During 1909, of course, you were using the circulation, paying it out over the counter and getting the benefit of it that way? A. Yes, partly Farmers Bank and partly Bank of Montreal.

Q. Before you went away in February, 1910, did you realize that your deposit account with them and theirs with you were just about equal? A. I

never realized that; they were never interdependent in that way; I do not think we disturbed our deposit account with them at all, and theirs was bobbing up and down all the time.

Q. Are you speaking of your own knowledge? A. No. I am not; that is just the impression I have got.

Q. If I showed you the entries in the book could you tell me anything about it? A. No, they are accurate and what I am giving you is my impression; I never saw the books or the entries until—

Q. You say they were not interdependent in any way? A. Yes.

Q. There was no understanding that one should be kept about equivalent to the other? A. No.

Q. Is there any explanation for the fact that they were more or less so, and that the entries appear occasionally to be related, one to the other? A. I do not know of any explanation; I do not know that what you say is the fact; if it is it is a mere coincidence.

Q. I am asking you if it is so, whether you can throw any light upon it with regard to their depending one upon the other? A. No, there was no inter-relationship like that.

Q. To whom would I apply to know if there was any relationship between the two? A. Nobody, unless to me or to Mr. Travers.

Q. You and Travers? A. I think so. You see he and Stockdale were never very friendly, and the business was usually done between him and me.

Q. Did you then keep any track by looking at the books from, say, month to month or six months to six months, how the account stood, how much he had with you and how much you had with them? A. No, I never checked him up; I thought he was an honorable man and I trusted him absolutely.

Q. Of course you would not want to deposit too much there? A. We would not deposit any more with the Farmers Bank or any less than with any other institution. I did not look up that bank then in any different position than any other chartered bank.

Q. Would you want to know how much you had with them? A. I would get statements, as I usually did, of the amount of moneys we had deposited with different financial institutions; but I did not differentiate so far as the Farmers Bank is concerned.

Q. Then you did not get any details of how much they deposited with you and how much you deposited with them? A. No, nor with any other account; there was no difference.

Q. Was your attitude all through that this bank was perfectly solvent? A. Absolutely.

Q. Absolutely satisfactory? A. Absolutely.

Q. And nothing that Travers said or did threw any doubt in your mind on it? A. No, on the contrary many things that he said and did confirmed me in that idea.

Q. You were friends, were you not? A. We became financial friends; I had never met him, but when I have business relations with anybody and trust him I am his friend.

Q. Did you go into any dealings with him? A. No, never made five cents out of the Farmers Bank.

Q. Accounts ran on in that way and you finally lent him some $75,000? A. Yes.

Q. Was that the first or was it $100,000 first? A. That was the first.

Q. Which? A. $75,000.

Q. What was his need of that? A. He had a branch at Haileybury; he said the Traders Bank sort of seduced his manager and moved the manager and the deposit accounts practically bodily to the Traders Bank in one day, and he

was called on to meet quite a large sum of money unexpectedly. He said he had plenty of money out on call with brokers and others and he did not want to call it, because he did not want to give anybody the impression that he needed any money at all, especially in view of this; he called it piracy, I think he said something like that; and he said he wanted to arrange the loan of $75,000 on security of, I do not know how many shares, of American Piano preferred, which was a stock selling at, it had always paid 7% interest and sold at somewhere between 90 and 95. He said he did not want all the money; he could take care of a large part of any turned on him, but he wanted to have it there so as to draw on it if needed. I consulted with our people and they agreed to make him a loan, and we took the security and made him the advance.

Q. Cash advance? A. $75,000 loan, that was the first loan we made to the Farmers Bank.

Q. That was a cash advance? A. That was an ordinary business transaction, cash advance, and that was the explanation he gave me. I found out it was so. Mr. Stratton was connected with the Traders Bank. I told him that the action of the Traders Bank in doing a thing like that was not—well, there is no use mentioning further.

Q. Mr. Stratton was a director of the Traders Bank? A. Yes; he did not know anything about it. I found out what Travers had said was absolutely true.

Q. Was that before the deposit receipt for $120,000 was issued? A. I think so; I would not be sure; the dates speak for themselves.

Q. What was the next loan? A. The next loan was a loan of $100,000, with which I had very little to do.

Q. Who had to do with that? A. I may say from the 1st June, 1910, I had for some time very little to do with the management of the Trust Company. I undertook an agency matter of very considerable importance in the West, which necessitated my being out there a good deal, and I was only in the Trust Company at very short intervals; in fact, that is still the condition.

Q. From the 1st of June till when? A. Till the present time. I left Toronto on the 1st June, 1910, and I returned, I think, on the 7th or 8th July, and I was at a meeting of the company I was interested in on the 8th or 9th or 10th in connection with getting out of some securities, and at some time in July Travers came to me—I was over at Niagara having a game of bowls, and I got back and I went to Muskoka and I took a little bit of a rest—I had not had one for four or five years, and Travers came to me some time I think about the 20th of July. He said that the Home Bank had made a wild and unprovoked attack on him down in Lindsay; they had seduced his manager; the manager had moved out with I do not know, eighty or ninety thousand dollars of deposits, and while he was in his employ he had got cheques signed by all the depositors and the first thing he did after he left was to present those cheques and forced Travers to meet some eighty or ninety thousand dollars of deposits without any notice or without any warning or reason. He said he had plenty of money; he was in good shape, but he said a thing like that did not do the bank any good; that he proposed taking proceedings against these chaps, for I do not know what, conspiracy—conspiracy is a charge you can make pretty nearly against anybody—and he said he wanted to get that loan of $100,000 so as to feel that no matter what came he was all right. He brought in, I think, $200,000 or $250,000 of Farmers notes, and told me he had three-quarters of a million more out in his different branches.

Q. That would be a million altogether? A. Yes. I remember he said he had three-quarters of a million more out among his branches, and he wanted to get this loan, and he said later on he proposed to borrow $100,000 on the security of the bonds of the Keeley Mine. This must have been pretty well towards the end of the month, because I had a talk with Mr. Stratton about it, and we verified

his statements as to what had happened down in Lindsay, and we agreed to help him; there was not any absolutely definite arrangement about the amount or anything, at least I do not think there was; at all events, we had the notes.

Q. Did he give you a quarter of a million of Farmers notes? A. Yes. I never examined them; he said they were that in a bundle.

Q. He gave you the bundle as security for that $100,000? A. Well, no, as security for this loan—wait a minute—we gave him credit; Mr. Bicknell's firm was preparing the bond mortgage on the Keeley Mine.

Q. Do you say he offered you Keeley Mine as well? A. Yes, he said he would give us these bonds as well. Mr. Bicknell was preparing the bond mortgage. Travers had told me that they did not have any money in the Keeley Mine, but they were acting as sort of financial agents for it, and any advances they made were secured by a very large cash deposit and in addition to that the bank had received as a bonus for introducing the business some two or three hundred thousand shares of the stock.

Q. This was all moonshine as it turned out afterwards? A. I do not know that it is fair, to call it even moonshine—it is not fair to the moon. We gave him the credit and then he came long about the Keeley bonds.

Q. You gave them credit? A. We agreed to make the loan on the notes, you see.

Q. Did you put it through? A. I think so, the books will show; the bonds were not quite ready.

Q. Was the loan made upon the notes? A. Yes.

Q. Irrespective of the Keeley Mine? A. Yes, irrespective of the Keeley Mine, because Mr. Bicknell had not the bond mortgage through at that time.

Q. Was it intended that the Keeley Mine bonds should secure that same loan? A. He said so; it was not anything definite at that stage.

Q. Travers needed money urgently? A. No, I do not think so; I do not think the books will show that he drew that $100,000 for a long time.

Q. I thought he had to meet those eighty or ninety thousand dollar withdrawals? A. He had resources.

Q. You think it was not drawn until a long time after the amount was put to his credit? A. Some of it was, but some of it was not for a long time. Soon after the first of the month, I was going back; he came along and, I do not know whether it was before, I am not clear on the date, but I will give you the fact, he came to me then and he said to me, "I would like to borrow this $100,000 on the Keeley bonds". He said, "We are making some advances now to the property; I have refused an offer—I do not know whether it was six or seven or eight hundred thousand dollars cash for it—and I am going to get a couple of millions and you have the security, you have these notes", and he intended that we should hold the notes. I said to him, I told him my position in the matter, I was out of the active management of the company and "I think you had better go down and see Mr. Stratton about this, I do not care to take the responsibility of initiating this application; I won't oppose it if it is put through, but you had better go down and see Mr. Stratton and ask him about it". He went down one Sunday, and that evening Mr. Stratton telephoned me to my house and he thought the thing was all right and to put the loan through. I had some talk with Mr. Stratton about these notes. I felt that Travers was being handicapped in having these notes outside of his own branches, and I said to Mr. Stratton that I thought if he felt the way he did about the Keeley Mine and I felt the same way (I believed every word the man said), that it would be a mistake to hold these notes we had. He said, "All right, if you think so, all right". So the next day or the day after I called Travers in and I said, "Now, look here, your bank is all right, is it not?" "Oh," he says, "it is all right; we are being hammered by the other banks, but we are strong". His sworn statements were very excellent; I read them

every month and watched them. I said, "Travers, if it is all right, and you tell me it is all right, I do not want your notes, my holding of them will only embarrass you", and I handed them back to him and he took them away—I don't know whether he took them away, but I know he got the notes; and that left us with the security of Keeley bonds, a million dollars of bonds against $100,000 advance.

Q. In the meantime you had got your bond mortgage? A. Yes, in the meantime Mr. Bicknell had completed the papers and we had the bonds deposited with us, and we had security and that, in addition to the obligation of the bank to pay, became our only security with regard to the $100,000 loan.

Q. There was a bond mortgage in addition to the deposit of the bonds themselves? A. Yes, we were only trustees on the bond mortgage.

Q. Were the bonds themselves deposited with you? A. Yes.

Q. In whose favor were the bonds? A. They were payable to bearer.

Q. Had they no name in them at all? A. They never have.

Q. Had these bonds no name? A. I do not think so.

Q. Some question arose afterwards? A. It was all investigated in the matter we had with the liquidator.

The Commission adjourned at 1 p.m. to 2 p.m.

The Commission resumed at 2 p.m., June 12th, 1912.

J. J. WARREN, Examination Continued:

MR. HODGINS: We were speaking about the $100,000 loan; the loan finally as it went through was secured by the Keeley Mine bonds? A. Entirely.

Q. And the bond mortgage? A. We were trustees of the bond issue, and the bonds were pledged to us in our corporate capacity.

Q. Were you trustees for any other bondholders than yourself? A. We had the entire issue.

Q. Was there anything else handed to the Trust Company at that time to your knowledge? A. I do not think immediately; but either the same day or the day after Mr. Travers was in the office and he had told me, as I have said, what a lot of money the bank was going to make out of the Keeley Mine; and I said to him, "Now, we are lending you a lot of money and we are only getting ordinary rates of interest, I think 6 or 7%, and I said, "I think in view of what you told me that the bank has a large amount of stock which they are not carrying as an asset and which they are going to make a lot of money out of, that you might very well give us a little bonus in connection with this". I said, "We would make more friends by letting this money out in ten thousand and fifteen thousand and twenty thousand dollar lots than in letting you have it in a hundred thousand dollar lot". He admitted it, and said, "Yes, that is quite right". He said, "Supposing I give you a bonus—I mean the Trust Company—of 25,000 shares of Keeley Mine stock?" I said, "If you think that is not too much, I am satisfied. In view of what he said, I thought it was a substantial proposal or bonus, and he said, "I would be very glad to do it". I said, "Well, then, you may transfer 25,000 shares of it to Mr. Stockdale in trust, and I am perfectly satisfied and I think you have done very well by us". He said he was very glad to be able to do it and it was all right. That is the only conversation I had with Mr. Travers in regard to anything but the Keeley Mine bonds.

Q. Did you get the $25,000 stock? A. No, I do not think so. I think there was a certificate of some kind, I think the stock was pooled in some way or

another it developed afterwards, I did not know till some time afterwards, I think we got a certificate or acknowledgement by somebody that 25,000 shares were held in the name of E. B. Stockdale in trust.

Q. What did you know of anything of an arrangement with Mr. Stratton in regard to $50,000 additional of stock in the Keeley Mine at that time? A. I did not have any conversation with Mr. Travers about that.

Q. Did you know of it at the time you were arranging about the $25,000 bonus? A. Not the slightest.

Q. When did you first hear of it? A. I heard about it much to my surprise about five o'clock in the afternoon, I remember it very well, about five o'clock in the afternoon of the day I was leaving for the West; I was down here just a short time and was returning. Mr. Stratton came into my office.

Q. When would that be? A. It would be about the second or third of August. early in August, it was after the loan had gone through and after the $25,000 bonus arrangement had been made; and then Mr. Stratton came into the office and said he had arranged with Mr. Travers for a bonus of 50,000 shares of Keeley Mine stock. "Well" I says, "That is most extraordinary; I said I got $25,000 from him to-day—it was the same day Travers had been in—and I said I think that is quite enough. Well, he said, "This is a little different, this is a personal bonus; half of it is for you and half of it is for me". I said "No, I would not have anything to do with it. I have read Mr. Travers' evidence and he says he gave it to Mr. Stratton as mere security. Mr. Stratton says the same thing. That is what was said to me; but perhaps it was a little bit personal, I never could understand why the offer was made to me; it was the first and also the last of the kind, and Mr. Stratton and I had some very serious differences and I think he would be about the last man, to, at least if I could imagine the positions to be reversed, I would be the last man that would want to give Mr. Stratton anything in the nature of a possible Christmas present to speak, and in view of Mr. Travers' statement and Mr. Stratton's, I do not know what to make of it.

Q. When did you leave for the West? A. I left about the 3rd August I think.

Q. You wrote a letter to Mr. Travers about this same matter, about this same bonus? A. Yes, later on.

Q. The original is among the papers I am expecting up but I have a copy of one of the letters; perhaps if you could look at it it will refresh your memory; it apparently bears out what you say? A. Yes, I wrote that letter.

Q. There is a question I want to ask you about it; you mention Mr. Stratton having spoken to you in reference to some shares in the Keeley Mine that Travers was transferring to him, and he said he proposed giving you one-half. "But since I came out I have a letter from him that you have made the transfer and he has executed a declaration of trust in my favor"; and then you go on to say that your alleged share will be handed back to Travers if you ever get it subject to any subsequent arrangement to benefit the Trust Company? A. Yes.

Q. That bears out your recollection of what Mr. Stratton said to you? A. Yes.

Q. You left for the Coast and communicated with Mr. Travers in that way? A. Yes.

EXHIBIT 77: Copy of letter of James J. Warren to W. R. Travers, September 20th, 1910.

Q. Did you get a reply from Mr. Travers? A. No, I never discussed it with Mr. Travers subsequently at all, because when I got back in November it was just before Mr. Travers went down to Lindsay in connection with the matter that resulted in the failure of the bank, and I did not consider it a very substantial matter at any time.

Q. There is another letter which I cannot recollect very much about except it was giving him some advice as to reorganization? A. Yes.

Q. Have you any objection if I show the letter to Mr. Hellmuth to putting it in if I think it is necessary? A. No.

Q. I cannot tell without seeing it? A. I notice the last paragraph says something to him about being careful; that was in line, that referred to his conversations with me, Mr. Commissioner, in which he said that the other banks were throwing circulation at him and trying to make his life generally miserable, and I was suggesting to him that he should keep himself in thoroughly strong condition. I have sometimes thought—I do not know which horn Mr. Stratton would prefer to take,— but I have sometimes thought he was seeing if he could not more or less compromise me in connection with that. I do not know, but there is either the one or the other.

Q. He is no longer connected with the Trust Company? A. He is a director but he is no longer an executive officer.

Q. Are you still connected with it? A. I am the President of the Trust Company.

Q. In that letter I remember you were advising Mr. Travers to reorganize his Board? A. This is the other letter.

Q. I think it is about the same time? A. I could explain that; I remember the letter very well: before I went away Mr. Travers told me that he had been in touch with Mr. Cawthra Mulock with the idea of getting Mr. Mulock to take the Presidency of the bank and getting a new Board of Directors. Mr. Travers said to me that he recognized that the rest of the bankers were not treating him in the way they should, and he felt that he owed it to the shareholders and the depositors of the bank not to stand in the way of the progress of the bank, and that he wanted to get in a new Board, a strong Board, to get a strong man like Mr. Mulock to take the Presidency and he would give up the general management but would remain on the Board too, because he did not want to be wiped out entirely, because he did not deserve any such fate. I said to him then,—you know the stock was selling I think at about $50 or $60 a share—I said to him, "if you feel that way perhaps we could get some people and perhaps we could move the head office to the West and start all over"; and he said "All right, I wish you would see what you can do". I went out West and went over the situation and came to the conclusion that the West was no place to establish the head office of a bank that did not have a very large amount of money to lend, and it is no place to go with a bank to solicit deposits, because everybody was borrowing and nobody depositing, that is speaking broadly; but I took it up with some of my friends there, and I also took it up with some of my friends of mine in Ohio, a man with a great deal of money, and I wrote this letter to Travers first of all telling him that upon going to the West I found it was no place to move the bank, but I said to him, "Now, I think perhaps this can be done in another way". I have not seen the letter for some time but I am giving it to you as I recollect. I said "I think if we could get three or four strong men to go on the Board and take up all this weak stock and take it off the curb, wherever it was—I do not think the stock was ever lifted—and put in a new management, that within a year or two the stock would come up to par, and if we could not do anything else we could then amalgamate with one of the larger banks and make some money". It was not a personal matter so far as I was concerned, because I had not any money to go into it, but I thought I could organize a group to do it.

Q. I remember the only matter of importance in the letter was you made a suggestion that he should have an audit made? A. I said to him, "if you fall in with this suggestion,—I have spoken it up with my two friends and they are ready to go in—if you fall in with the suggestion, you have Edwards, Morgan & Company go into your bank and make an examination and an audit, and if their report be satisfactory as I have no doubt it would be—I remember putting that in because I had every confidence in the institution—I said the business could be done. I had a reply to that in which he said that the matter could stand until I returned,

because conditions had improved very much and everything was going along very nicely.

Q. Had you anything to do with the last loan taken, the $295,000 loan? A. Nothing.

Q. It was done while you were away? A. Yes, it was really a consolidation.

Q. You do not know anything personally of the details? A. No, I was not in Toronto at the time and did not get into Toronto till a month later.

Q. I think that is all, except I would just like to recall what Mr. Lindsay said about that interview in August, page 357 and 358. He says he met you at the Dominion Permanent Office and went down to George H. Watson's office with whom there had been an appointment? A. I cannot say anything more than I said this morning that I have no recollection of having met Mr. Lindsay until I was introduced to him at Mr. McLennan's funeral which took place a long time afterwards.

Q. He rather kept himself in the background? A. He kept himself so effectually in the background that so far as I am concerned I did not see him.

Q. Is he right in saying that you and Mr. Hunter and Mr. Travers met in the Dominion Permanent and walked down? A. No, I do not think so; I think he means the Trusts & Guarantee Company in the first place; that is a verbal slip; I have no recollection of having been with Mr. Watson accompanied by Mr. Travers and Mr. Hunter. I remember being there on one occasion with Mr. Hunter, it may be that Mr. Travers was there too.

Q. Was it in his office at night? A. I do not think, but we had a lot of night appointments. This arrangement when the call loan agreement was made it was at night; we did not draw any distinction between night and day; whenever there was anything to be done it was looked after.

MR. COMMISSIONER: Was there ever any suggestion or arrangement that the stock subscriptions as well as notes should be hypothecated with your company? A. No, sir, not to my knowledge.

Q. You knew of course, I understand, that these were notes that had been taken for stock? A. Yes, quite so; they show it on their face.

MR. HODGINS: Would you just give me that memorandum we discussed during the adjournment, showing when interest was credited up on that account, which will settle the date beyond controversy? A. Yes.

Q. And I will attach it to Mr. Stockdale's statement which he gave me? A. Yes. Mr. Stockdale having the books before him will be right, but my impression is that we allowed interest for quite a period, some seven or eight months and whatever that shows is right and if my recollection does not agree, while my recollection is honest, it is inaccurate, and there was some reason why we ceased paying interest.

Q. It will be only a short statement of a few items and that will settle up to what date it was paid? A. Quite so.

ARTHUR J. LINTON, Sworn, Examined by—

MR. HODGINS: Look at that cheque (Exhibit 28) and study it for a moment and look up your teller's blotter—you were receiving teller, were you not? A. Yes.

Q. The first receiving teller of the Traders Bank on the 6th December, 1906, in Toronto? A. Yes.

Q. That is your stamp on that cheque Exhibit 28? A. Yes.

Q. We want to know something if you can remember it about the way in which that came to be cashed? A. The only thing I can recall is from that deposit slip, Mr. Lindsay made a deposit on the 6th December, 1906, to W. J. Lindsay in trust in our savings bank department of $5,000.

Q. In what form was the deposit? A. It was evidently—the deposit slip is marked cheque; the cheque has evidently been for $10,000 as I have not got a $5,000 cheque on my blotter for the day.

Q. On the face of the deposit slip it looks as if he deposited a cheque for $5,000? A. Yes.

Q. And is that credited as a receipt through you? A. Yes, it is credited $5,000.

Q. What makes you say the cheque was evidently $10,000 because you had not some entry? A. I have not a $5,000 entry in my blotter.

Q. You have a $5,000 entry on the debit side? A. I have not a $5,000 credit entry.

Q. Explain why you would need that to verify the fact a cheque for $5,000 was deposited; you are the receiving teller? A. Yes.

Q. Money comes in and goes on which of your pages, to the debtor or credit? A. On the credit; the receiving teller does not pay any cheques.

Q. What entry have you got about this $10,000? A. I have got $10,000 charged here, $5,000 deposit.

Q. Charged here, does that mean that you paid it out? A. Not necessarily; it would mean I would either credit an account or pay it out if I so choose, but the receiving teller did not make any payments, particularly for an amount such as that.

Q. The entry of $10,000 on page 420 would indicate you had paid $10,000 out? A. Or given credit for it.

Q. You had parted with it in some way? A. Yes.

Q. You would be entitled when the cash was gone over to say "I have paid out $10,000"? A. Yes.

Q. Was that done early or late in the day, can you tell from the position in your book? A. I could not make any statement as to that.

Q. It is the second entry there? A. Yes.

Q. It is the second entry there? A. Yes, but I might possibly not enter up my blotter till the end of the day's work as far as cheques are concerned, because with the deposits it would keep me busy, although from my savings bank deposits I should judge it would be in the afternoon because it is the second to the last savings bank deposit and the deposits would be put through immediately upon receipt, so that they could be handed to the ledger keeper for entry.

Q. What is that little memorandum in pencil on the back, $10,000? A. It is not my figures.

Q. Whose handwriting is it? A. I could not say.

Q. Had Lindsay an account in the Traders Bank apart from the savings? A. Not to my knowledge; I was not versed on the ledger.

Q. How would the transaction have been put through if this $5,000 means that you merely credited it? A. I might possibly have had large legals in my box and paid them, otherwise had I not those legals I would have credited our paying teller with the amount and he would have paid it.

Q. Whose writing is the cheque $5,000? A. That is not mine, Lindsay's I suppose.

Q. Would that be done in another box altogether from your own—how did you become possessed of it? A. I just secured it this morning from the bank.

Q. In whose custody would it be? A. In the custody of the accountant.

Q. It would not have been one of the papers you had that day, the 6th December? A. Yes, I had that; that is my initial (on the deposit slip).

Q. Explain how you got it? A. Evidently Mr. Lindsay had made that deposit, handed the slip in to me, making out the slip himself, and I initialled it and handed it on to our ledger keeper.

Q. You received the savings bank deposits as well? A. Yes.

Q. Would you think that only $5,000 was paid out on that cheque, and the other $5,000 just credited? A. I would judge that.

Q. You would judge that from the entries in your book? A. Yes.

Q. Do you remember anything about the transaction? A. No, I cannot recall the transaction.

Q. Did you know Lindsay? A. It runs in my mind that I did know Mr. Lindsay, not personally, but having met him I think in the office, in connection with the Farmers Bank account.

Q. Were you familiar with Travers' signature? A. No, sir, the cheque would have to be marked before being paid.

Q. It would come to you from? A. From the ledger-keeper, or rather from Lindsay to the ledger-keeper and returned to Lindsay and handed to me.

Q. Evidently you would have paid out $5,000 in cash? A. I would have.

Q. Do you know what bills you paid it in? A. I would have paid it providing I had had large legals, not otherwise.

Q. If you had not had large legals what would you do? A. I would credit our paying teller with it on a slip between tellers.

Q. We have had the paying teller, and he said that we would have to look to you, that that went through your box? A. It is very unfortunate that my cash statement has been destroyed and also the slips between tellers.

Q. That is all you can tell us? A. With the cash statement and the slip between tellers I could give you possibly more information.

Q. Have you any objection to leaving this deposit slip here? A. No.

EXHIBIT 78: Deposit slip for $5,000 to the credit of W. J. Lindsay in trust.

MR. COMMISSIONER: If this was put on the slip to the paying teller, what does the paying teller pay it out in? A. I could not say that.

Q. In the ordinary course? A. Providing he had large legals he would pay it in large legals.

Q. What is the largest bills of your bank? A. One hundred dollar bills.

Q. Why not in your own bills? A. We could pay them, but it is preferable in paying an amount like this, it is just a case if we pay our own bills for an amount like this, no doubt it would come right back through the Clearing House on the following morning.

Q. And give you more labor? A. Exactly so.

The Commission adjourned at 3 P.M. to 11 A.M. June 14th, 1912.

Toronto, June 14th, 1912.

The Commission continued its sittings at Osgoode Hall, at 11 a.m.

PRESENT:

HON. SIR WILLIAM MEREDITH, Commissioner.
FRANK E. HODGINS, K.C. and J. THOMPSON, K.C., representing the Dominion Government.
I. F. HELLMUTH, K.C., representing the Trusts & Guarantee Company.
H. H. DEWART, K.C., representing Dr. Beattie Nesbitt.

MR. DEWART: My learned friend informed me that he wanted Dr. Beattie Nesbitt in attendance this morning. The hearing of the criminal charge in the Police Court was fixed for this morning and I have just come from there. The Crown asked for an adjournment till Tuesday next, and Colonel Denison, the Police Magistrate, has given us right of way on Tuesday, and there is no question the case will go on then. I feel, Mr. Commissioner, as these matters have to be gone into in the Police Court, it is only fair to Dr. Nesbitt, that he should not be asked to testify here until that preliminary hearing has been held.

MR. COMMISSIONER: Has he made his election?

MR. DEWART: Well, yes, he has elected to be tried by jury.

MR. COMMISSIONER: So that there will be only the preliminary examination, and that will be very brief.

MR. DEWART: I may say Dr. Nesbitt is anxious to give the Commission every assistance he can by any testimony he can give, and if your Lordship can let the matter stand until after Tuesday, he will be glad to attend at any time your Lordship will hear him.

MR. COMMISSIONER: I will be in Divisional Court the next two weeks. How would Saturday of next week suit?

MR. DEWART: Very well.

MR. COMMISSIONER: Provisionally, then, we will say Saturday of next week, and if I find that there is likely to be some time available in the following week, and that is as convenient to all, perhaps it will be better to take it then than on Saturday.

MATTHEW WILSON, Sworn, Examined by:—

MR. HODGINS: You are a member of the Board of the Trusts & Guarantee Company? A. Yes.

Q. You had to do with a transaction shortly before the bank failed, I think it was a loan transaction; I think the date was November 2nd, 1910, or thereabouts? A. Yes.

Q. Prior to the inception of that loan transaction, had you anything to do with the Farmers Bank as a director of the Trusts & Guarantee Company? A. Not prior to that transaction. The transaction which culminated on the 2nd November began a week or two before, but nothing prior to that whatever.

Q. You were a director of the Trusts & Guarantee Company? A. Yes.

Q. Do you attend regularly? A. Yes, I think I do, not absolutely every meeting, but nearly every meeting.

Q. Were you as a director at all familiar with the $80,000 loan or the $20,000 in December, 1906? A. No, I never heard of those at all until this matter arose; I was not a director at that time.

Q. When did you become a director? A. I think I have been a director two years or nearly two years.

Q. Were you aware that circulation was being deposited with your company by the Farmers Bank? A. Not at that time.

Q. When did you become aware of that? A. I became aware of that in October, prior to the second of November, that you speak of.

Q. 1910, how? A. I was instructed by the Board to look into the matter of the loan which the Farmers Bank had got from the Trust Company, and looking into it I became aware of deposits being made by the Farmers Bank with the Trust Company of their own money.

Q. Then did that arouse your suspicion at all as to the situation? A. No, no suspicion aroused; it led to my having the transaction changed.

Q. Why did it lead to that, what was there in it to require that? A. It led to it in this way: the Board, when the matter of the loan of $100,000 on the Keeley Mine bonds of a million dollars was reported, members of the Board said it was contrary to their rules to loan upon mining stock, no matter what the security was, and the general manager was then out in British Columbia and the president could not give sufficient information to satisfy the members in regard to this, and they instructed me to take up the whole matter.

Q. Who was the president? A. Mr. Stratton was then.

Q. Tell us what you did? A. I think it was on the 28th October I came to Toronto and I found in the meantime that the executive officers had told Mr. Travers that the Board had instructed me to look into this matter, and I had some one telephone to Mr. Travers to come to the Trust Company to discuss the matter, and he did so, and Mr. Stratton, Mr. Morden and myself and Mr. Travers discussed the matter then.

Q. At some time or another, one of those discussions, the Bank Act was produced and discussed? A. No, so far as any time I was present the Bank Act was not produced. As a matter of fact, I inquired and I could not find the Bank Act.

Q. You discussed a section of it at all events, didn't you? A. If you mention the section; I do not remember discussing any section.

Q. What is said is this, there is some question as to whether the bank was justified in giving the security, and either you or Mr. Morden, I think you, if my recollection serves me right, said something to the effect that you were pressing for the loan, and the doctrine of pressure would rebut the inference—? A. I remember it was said that Mr. Morden had said that in my presence; that is entirely a mistake. The only time when a discussion took place was when Mr. Stratton, Mr. Morden and myself were present and such a discussion as that did not take place while I was present.

Q. How do you account then for Mr. Morden saying so? A. I never heard that Mr. Morden did say so.

Q. I thought you said so? A. No, Mr. Morden said it never took place and so does Mr. Stratton.

Q. And you agree with that? A. Yes, I agree with that.

Q. What did take place? A. When Mr. Stratton came, Mr. Stratton explained to Mr. Travers that the Board had instructed me to take the matter up and that it was a matter out of the control of the executive officers, and I told Mr. Travers what I found seemed to be the state of the loans; that is, that there was $75,000 loaned on a call loan agreement with some piano stock, and that there was $100,000 loaned apparently on a million dollars worth of bonds in the Keeley Mine and there was a deposit in the Trust Company by the bank of something in the neighborhood of $120,000 on a deposit receipt, and another deposit on a general account, that is a current account of $5,000-odd, and then Mr. Travers explained that they had a deposit in our Trust Company of, I think it was in the neighborhood of $70,000 or $60,000—you want me to give the whole?

Q. No, I do not; I do not really want to go into these details, we have had them before. You discovered there were two accounts, one due to you and the other due the bank? A. Yes.

Q. Will you explain why the transaction took the shape it did if the result of it was that it left about the same amount to the credit of the Farmers Bank with you? A. That is why the transaction of the 2nd November took place?

Q. Yes; in the first place, perhaps you will tell me what was the object of having any transaction at all at that time? A. The object was this, that the Board did not want money standing on a call loan with only stock in a mining company as a security.

Q. What money was standing on call loan? A. There was $100,000 standing on a call loan with mining stock only as security. The Board did not want that. Then in the next place I think possibly it was my own suggestion that originated the idea, that we were not being treated fairly—I do not mean that in an offensive sense, but we were not getting a fair bargain, their depositing with us and we depositing with them, because if the bank deposited with us (we not having any circulation) the bank got a certain benefit from their deposit of their circulation which we did not get by making a deposit with them.

Q. You were getting interest on your deposit? A. Yes, but we were only getting 4%, I think it was, while if we had that money we would let it out on call loans and we ought to be getting about 7% on it.

Q. You were not paying any interest on their deposit account with you? A. My recollection is we were not.

Q. Then you think you wanted some better arrangement? A. Yes.

Q. And did you get it in this transaction? A. Yes.

Q. To what extent were you benefited in the matter of interest? A. We got 7% instead of 4% on the amount deposited in the bank and we also got 7% instead of 6% on the $75,000 call loan.

Q. What did the bank get? A. The bank did not get anything.

Q. What was the security taken for the $295,000? A. Promissory notes to the amount of $108,000 and stock in a Piano Company which was worth practically enough to make up the balance and then they kept also the mining bonds.

Q. I thought the objection by the directors was to the holding of these bonds, lending money upon bonds? A. They did object to that.

Q. You still kept them? A. Yes, but we got enough other security to cover the loans.

Q. Did you ever see those bonds? A. Yes.

Q. Where were they? A. In the Trust Company's possession.

Q. I am instructed, and it has been so stated that they never left the possession of the bank? A. That is a mistake I think. I examined the bonds and the mortgage.

Q. You examined the bonds? A. Yes.

Q. You say you had the bonds? A. Yes, I think so, my recollection is I examined them in our office.

Q. Possibly I am thinking of the stock which has been mentioned; I will ask you about that later? A. I feel there is no doubt as to what I say as to the bonds.

Q. The result of that was to put to the credit of the bank a certain amount of money, some fifty or sixty thousand dollars? A. No, we put to the credit of the bank the whole amount. Mr. Travers wanted to get $305,000, and I think we pared that down till it came to $295,000, and then we gave a cheque to Travers which he deposited to his credit in the Trust Company, and then he chequed against that and paid off these other amounts.

Q. But it did leave $60,000 odd to the credit of the bank? A. It may have; I could not speak definitely as to that, but it possibly would.

Q. You knew the stipulation was that the amount to their credit should not be cut down if they gave you this additional advantage? A. Oh yes; what I mean by that is they were still to keep their account in the Trust Company, but they had the right of course to cheque that out as they pleased.

Q. And the result of this did not change that, it practically left the same sum there subject to their cheque? A. I would not say the same sum; I think there was a variation of probably between $5,000 and $10,000.

Q. Were they to have the right to draw that out as they liked? A. Yes.

Q. Without any qualifications? A. There was no qualification whatever so far as I know, and I think I would have known it if there was any.

Q. Anyway if there was a qualification, it was not any part of the stipulation so far as you know? A. Not as far as I remember.

Q. Did you know anything or hear anything about 50,000 shares in the capital stock of the Keeley Mine when you were investigating the situation in October? A. No, never heard of that.

Q. Did you find any such stock with a memorandum pinned to it as to the way in which it had been received by Mr. Stratton? A. I did afterwards, but not then.

Q. Who did you get the securities held by the Trust Company from when you commenced investigations? A. They were produced, I think, to me in a large bundle of box of papers that contained the whole transactions of the Farmers Bank, and I went through them myself.

Q. Who from? A. An officer of the company, I think it was Mr. Howard.

Q. You say you heard afterwards of these 50,000 shares of stock? A. Yes, I was not dealing with stock at all, it was bonds I was dealing with; I did not know anything about where the stock was.

Q. When did you hear about it? A. I don't think I heard of that until after the failure of the bank.

Q. Did you ever see them? A. I am not sure, but I think I did see them in the liquidator's office at the time of the examination.

Q. Was there any memorandum attached such as you have spoken of? A. I cannot speak with certainty as to that. My recollection if I were just asked as to that is that the stock was in the name say of some person, trustee, or in trust.

Q. You see there was 25,000 shares in the name of Mr. Stockdale in trust; that was given as a bonus upon the loan? A. Yes, that is what I understood.

Q. But you did not come across that in your looking at the securities? A. No, I think the first time I saw any of the stock whatever was in the liquidator's office.

Q. I am speaking now of another $50,000 altogether which was in the name of Mr. Stratton in trust? A. Well, my recollection is that that was there at the same time. and that it just said in trust; I do not remember any memorandum pinned to it. There may have been and I have forgotten it.

Q. I thought Mr. Morden was the one who said that about the Bank Act.

MR. HELLMUTH: He denied it? A. I have not seen any of their evidence at all, and I have not been speaking to any of them, so I do not know what evidence you have taken.

MR. HODGINS: I see it was Mr. Stratton who referred to the Bank Act and not Mr. Morden: "Q. What was the occasion of bringing the Bank Act down and reading it to Travers? If it had been the riot act I could have understood it? A. I do not know about that—something about Mr. Morden—I recollect the Bank Act, but I do not remember that". A. I might say the conversation was just in the opposite direction.

Q. In what respect, what is the opposite direction? A. The opposite direction was this, that Mr. Travers urged upon me the bank had its troubles at the time when there was some run on the bank owing to some reports about it out in a country place, but that they had got past that, and everything was going nicely.

Q. Did you make any independent inquiry as to the bank's position? A. Through Mr. Morden, I did. I asked Mr. Morden to get the bank's returns and to see them.

Q. Outside of that did you make any inquiry as to the bank's position? A. I do not think I made any outside inquiries at all except what I could make through officers in the Trust Company.

Q. In speaking of the cheques that were drawn upon that account—I am looking at a letter which you wrote which I will be glad to show you: "Then he chequed out of the Trust Company a former deposit account which the bank had with the Trust Company of $70,094.55"—was that what we have referred to as the circulation amount? A. That I believe is the amount which I spoke of as between $60,000 and $70,000.

Q. What sort of notes were those that were given? A. They were in the first place a note of the bank and then the notes that were transferred were customers' notes payable to the bank and transferred by the bank to the Trust Company.

Q. There was difficulty after that transaction about paying Mr. Travers' cheques? A. Yes.

Q. What was that difficulty? A. I think the first difficulty arose when Mr. Travers wanted to replace the notes. The customers notes would be coming due, and he would need to attend to his branches. Then he would send in order to take them up, other customers' notes to take their place, and the first difficulty arose so far as my recollection goes in the Trust Company in thinking that the notes that they received to supplant the notes that were to be given were equal to the notes that were given up.

Q. That was the difficulty you say? A. That was the first so far as I recollect.

Q. That was used as a reason to prevent him drawing upon the amount which had been put to his credit on the faith of the new loan? A. No, I never knew that, I never heard that suggested till now.

Q. Do you say he would be entitled to cheque out that balance to his credit freely and readily, and he never was obstructed in doing so? A. My understanding was he was entitled to cheque that out and I never knew of his being obstructed in doing that.

Q. What difficulty was there? A. He drew after the 2nd November much more than enough to cheque that out.

Q. Was it after he had chequed it all out that the objection arose? A. I could not say till after he had chequed it all out, but he would need sometimes further money and when he would need further money placed to his credit so that he would draw a larger amount than was standing to his credit he would deposit with the company notes in order to cover that, and also made a new note himself, but that was not part of the transaction of the 2nd of November at all.

Q. That was subsequent? A. Yes, those were transactions that were arising from time to time, so that Mr. Travers would have at his disposal, money which, on the 2nd of November he did not seem to expect that he would require.

Q. I suppose you did not stay down here and keep track of all the financial details; are you giving us this from what you understood afterwards or from your personal knowledge? A. I did not stay here, but I was down I think twice afterwards and discussed the matter with Mr. Travers and with the officers when these difficulties arose.

Q. When the bank closed its doors Travers had drawn out most of the moneys that had been put to his credit? A. I think so; possibly there were $5,000 or $10,000 still to his credit.

Q. What did Mr. Stratton say about the position of the bank when you and he and Mr. Morden met? A. When we met and also prior at the Directors' meeting Mr. Stratton said that the loan was perfectly secure; it was the other directors who insisted upon my taking the matter up.

Q. What was said at any time during the negotiations with Travers when he was not there as to the situation of the bank? A. I do not think that it was discussed at all, that is the situation of the bank, except while Mr. Travers was there, and it was Mr. Travers assuring me that there was no security for taking these notes and pressing that on me and apparently not satisfied that I was insisting upon it.

Q. My information whether rightly or wrongly is that you and Mr. Morden were particularly anxious having regard to the condition of the bank as to this loan? A. This is the first I heard of that except anxious to comply with what the directors insisted, and that is that no loan of a Trust Company should stand upon the security of mining stock.

Q. Was any of your anxiety based upon the idea that the bank was in bad financial position or was pressed for money? A. I cannot say that it was, in fact I did not know that the bank was pressed for money and I was assured that it was not pressed for money, that it had got past that stage.

Q. By whom? A. By Mr. Travers at this conversation when Mr. Stratton and Mr. Morden were present.

Q. And there was no suggestion from you that pressure would make the transaction good? A. Never the slightest suggestion.

Q. You had no suspicions of the bank being in an insolvent condition? A. No, not a suspicion of the bank being in an insolvent condition.

Q. Or even hard up? A. It did seem as if the bank was being pressed for money.

Q. Yes; that is equivalent to being hard up, is it not? A. Perhaps it is; but the question of insolvency is quite a different thing; in fact I was led to believe that the bank could get money at any time.

Q. By whom? A. By Mr. Travers and by Mr. Stratton.

MR. COMMISSIONER: Is this a correct statement of the transaction in this letter that Travers, you say—I suppose it means the bank—should borrow enough to pay off the two loans of $75,000 and $100,000 and to pay a deposit of $120,000 in the current account—is that an accurate statement? A. That is an accurate statement of the form of the transaction.

Q. There was no re-borrowing at all, it was simply a consolidation of the existing indebtedness? A. The existing indebtedness was consolidated in that way.

Q. There was no new advance? A. I do not remember whether there was a new advance or not.

Q. This document does not indicate there was any new advance; we have not the agreement between the Trust Company and the bank as to this $295,000 loan? A. It is in writing.

Q. Did the $295,000 loan still remain a call loan? A. My recollection is it did, in fact I feel quite sure it did.

Q. So that the bank was in such a position that at any time it might be called upon for the whole of this amount? A. That is my recollection.

Q. Did Mr. Warren tell you or was he here at the time? A. He was not here at the time.

Q. Did you see him or not? A. No.

Q. Did you ever learn that Mr. Warren had had notes and had given them up because he thought the bonds were ample security? A. Yes.

Q. Did not it strike you as somewhat strange that a bank that was solvent should hypothecate $108,000 of its paper, one-fifth of its whole capital. How did you suppose it could get on handing those over to the Trust Company in substitution for a security that you were giving a black eye to? A. The only way I could see it could get on with that would be by exchanging the notes from time to time as they became due.

Q. I do not mean that at all. You have had a good deal of business experience with banks, did you ever know a bank that was not hard pressed that took $108,000 of its customers' notes and pledged them for a call loan, did you ever hear of such a transaction unless the bank was in deep water? A. I never heard of such a transaction at all.

Q. Would not common sense lead a business man to think that a bank was in deep water when they had to do that? A. It would lead a person to think that the bank was pressed more than ordinarily, as I said, for money, but the bank might be perfectly solvent.

Q. You were the only one according to your evidence that was pressing the bank? A. I was pressing the bank for security.

Q. And you were getting these Farmers notes or its customers notes to the extent of $108,000? A. Yes.

Q. I should have thought that was the plainest indication that the bank was in great stress that it had to put up that $108,000; it did not so occur to you? A. It occurred to me that the bank was badly in need of money; I do not know that it occurred, in fact I know that I did not think of great stress, but I quite realized that that was not a usual course for a bank to follow.

Q. Did you make any inquiries as to how the bank became possessed of these bonds, how much they had invested in them? A. No; I made an investigation, that is I got the papers, and I found that the papers had been certified and I asked how much had been invested in the bonds.

Q. By whom? A. By the bank. I understood that the bank had not the full amount, but merely the full amount invested in the bonds.

Q. What do you mean by the full amount? A. That is the bonds, as I supposed represented practically the whole mine, and that represented a million dollars.

Q. Well, what was the bank's money investment in that as you understood? A. I do not know, but it was over $400,000.

Q. Did that give you a glimmer of light as to the bank's situation, the bank with a capital of less than $600,000, putting $400,000 into this Keeley Mine and having to meet your demand by putting up customers notes to the extent of $108,000? A. I would naturally think of course the very fact of it putting so much into the mine would lead to the necessity for raising money outside.

Q. Did it strike you as an extraordinary thing that a bank would be in a good position that had taken $400,000 of its $600,000, that is putting it larger than it was, and putting it into a mine? A. If I had been a bank manager I certainly would not have done it.

Q. I am not asking you that; I am asking you if it did not strike you as indicating something wrong in the condition of the bank that would do that, and then in order to secure you take $108,000 of its customers' notes? A. I would have thought that that indicated that there had been bad management in the bank or something in the bank.

Q. Did not it indicate that the bank was rotten? A. I would not like to say that sir.

Q. The bank that would put $400,000 in this hole in the ground and could only secure you by giving you customers' notes? A. Of course, remember that that mine at that time I think was supposed by everybody to be not merely a hole in the ground, but was a valuable asset.

Q. It was not valuable enough for the Trust Company apparently? A. It was not a question of value, so much as the nature of security.

Q. But you hung on to the security? A. I know, but we wanted the other security.

Q. You wanted it supplemented by customers' notes, it could not have been the character of the investment, it must have been the uncertainty of that kind of investment? A. A person does not want any institution with its money invested in that kind of thing.

Q. Why did not you give up the Keeley stock? A. That is not the way a creditor usually does.

Q. If you had stock worth $400,000 as security for $295,000 what did you want that $108,000 of customers' notes for? A. Because it was against the rule of the directors to invest in a mine.

Q. Apparently not, they had passed this loan? A. I think not.

Q. I think the evidence of Mr. Warren had made the loan, but when it came before the Board was when they instructed me.

Q. That is not Mr. Warren's evidence; Mr. Warren did not make the loan until he got the consent of his Board or the executive? A. That is something before my time; I had nothing to do with it then.

Q. Does not it look as if somebody smelt disaster and wanted to get under cover? A. I could not say that.

MR. HODGINS: Mr. Hellmuth, I want to put in certain letters by calling Mr. Stockdale or Mr. Morden, or perhaps there would be no objection to putting them in without calling either of them.

MR. HELLMUTH: Did you examine him as to them?

MR. HODGINS: No.

MR. HELLMUTH: If there is anything that requires explanation with regard to them it will be better to examine them.

MR. HODGINS: There is the copy of the original security, the $295,000 and the statement as to how it is made up and the statement of subsequent transactions and the final demand on the bank for the balance.

MR. COMMISSIONER: Perhaps Mr. Hellmuth will find out how that is, and if there is no objection they can be put in; if not, you will have to call them.

MR. HODGINS: Mr. Wilson, do you know whether the loan was called a few days or a week after it was made? A. Oh, no, it was not called until I think between the 20th and the 25th November.

Q. One of those letters indicated a call? A. It was called by letter so that there would be no doubt about the date. If I was speaking from recollection I would say it was the 22nd November.

Q. Mr. Morden is not with your company now? A. No, he is in the City though.

MR. HELLMUTH: I should think these letters are undoubtedly the letters of the company and the hypothecation is that no doubt, I see it is a copy, the hypothecation. Were these put in in the suit of the liquidator against the Trusts & Guarantee Company?

MR. CLARKSON: Yes.

MR. HELLMUTH: I do not suppose there can be any question about that. I do not know whether you think any explanation is required, but as you are conducting the inquiry if you put them in without explanation I suppose I cannot very well object. I do not suppose it binds us in any way if there is any explanation in any suit or proceedings.

MR. HODGINS: I do not think there is anything in those excepting just showing the history of the transaction as it occurred, but I have no objection if you like to let you have them shown to either Mr. Stockdale or Mr. Morden and during the day if there is anything that either of them wish to say about them—

MR. HELLMUTH: Mr. Stockdale and Mr. Warren are both out of town.

MR. HODGINS: I do not think there is anything I would ask about those, except are those exactly the history of the transaction?

MR. HELLMUTH: Mr. Clarkson knows they are copies of the originals.

MR. CLARNSON: They are copies of the originals. The original call loan is with the Trust Company under an agreement between themselves and myself.

MR. HELLMUTH: Do I understand there is no examination so far as the Trust & Guarantee Company is concerned?

MR. HODGINS: That is right.

EXHIBIT 79: Papers connected with the consolidation of the loan at $295,000.

W. R. TRAVERS, Recalled:—

MR. HODGINS: You apparently made a loan, a demand or call loan, of $295,000 on the 2nd November from the Trusts & Guarantee Company? A. Yes.

Q. With certain specified securities? A. Yes.

Q. After the bank failed there is a statement here with the initials J. J. W. which I wish you would look at; the security appears to differ from the original security given about a month and a half before? A. The Piano Company's stock was sold and applied on the note.

Q. That is credited? A. Yes.

Q. What about the Ontario Leather Company's stock? A. There is a letter from Mr. Wilson to me some place that called upon further security, and I think I answered it, if I remember right, stating that they had those bonds in their hands and they might retain them.

Q. What about the Ontario Leather Company's stock? A. That is the bonds I am speaking of; they might retain them as additional security.

Q. Apparently they did that, and treated that as security? A. Yes.

Q. Were you getting further advances after the $295,000 loan had been exhausted? A. Yes, we got two or three advances.

Q. You can see them set out in one of those letters on that file? A. Those are the advances, the 11th, 15th, 17th and 18th November.

Q. Those mentioned in,—what is the date of that letter? A. November 22nd, 1910.

Q. And did you put up notes to the amount of $293,000; is it over and above the $108,000 that you put up when you got the $295,000?

MR. COMMISSIONER: No, it includes that, that is the total amount? A. My recollection is we put up over $300,000 worth of notes all told.

MR. HODGINS: You put up the difference between $108,000 and whatever the total is subsequent to the loan being made? A. Yes.

Q. And what was the total amount of the subsequent advances you got? A. $26,575, taking the figures from this letter, which I think is correct.

Q. Was there any further sum for which these notes were security? A. Only the amounts that they put to our credit on those dates.

Q. That is a very large amount in notes to have given them? A. There seemed to be no end to the number of notes Mr. Wilson wanted.

Q. There would be about $190,000 of notes for these additional payments; and were those customers' notes? A. Yes.

Q. Were the deposits of those notes made conditional on your making a draw out of what was placed to your credit on the 2nd of November, or were you allowed to draw freely on that? A. The new loans were made, if I remember correctly, so that the security of the further note that I was giving them would be legal.

Q. And the additional notes, when they went up, apparently would be security for the $295,000 loan as well? A. Would be security for all advances we have received.

Q. Was that in accordance with the hypothecation agreement; did you understand that at the time? A. Not at the time; everything ended at the time as was completed at the consolidation.

Q. Did you make this arrangement afterwards that the notes subsequently handed over were to be security for the former loan? A. Yes, I arranged each transaction with Mr. Morden as the circumstances arose.

Q. Was that the understanding? A. Yes.

MR. HELLMUTH: I think the document speaks for itself. The original document makes provision that any further loans and any securities given should enure for the whole.

MR. HODGINS: I asked him whether this hypothecation contained such clause and I understood him to say no? A. I did not understand the question. I remember quite well such clause as that in the hypothecation: what I was saying was that as these new transactions came up the matter was repeated.

MR. COMMISSIONER: Why did you give these large amounts of promissory notes for the comparatively small new advances you were getting? A. I was forced to do it.

Q. Forced, how; would not they make the advance? A. They would not permit me to draw my money that was there.

Q. Which, the money on deposit? A. Yes.

Q. Who took that position? A. Mr. Morden took the position that he did not approve of the depositing of the bank's circulation and he did not think it should be withdrawn suddenly; that was the commencement of the difficulty.

Q. Was that before or after the consolidation? A. That was prior to the consolidation; he made that objection prior to the consolidation of the loan.

Q. Mr. Wilson told us he understood you were to be free to draw that as you pleased? A. I cannot corroborate Mr. Wilson; I am sorry to say I shall have to contradict him in some matters he says.

Q. Were you to be at liberty to draw freely? A. That was the understanding when the consolidation was completed, that I was able to draw the $68,000 as I needed it.

Q. Was there any embargo put upon that afterwards? A. There was.

Q. By whom? A. By Mr. Morden. Did not I state that I would send down a cheque and the difficulty would arise and it would be arranged over the telephone or by my making a personal trip?

Q. We heard of that before, but we thought that simply meant he yielded and allowed you to draw the money. Do you say now when you got these additional advances, one of the reasons why you were compelled to give the large amount of notes was because they would not give you the money on your deposit account as you wanted it? A. Yes, that was the first position in the matter, that they objected to my withdrawing the balance and forced that consolidation.

Q. I am talking after the consolidation? A. After the consolidation the first difficulty arose a few days afterwards in which I gave that small note of $3,575. I think with that there were several thousand dollars' worth of notes.

Q. $30,000 or $40,000 worth of notes? A. Yes.

Q. Why was that? A. Objection was taken that day to giving us any funds.

Q. On your deposit account? A. Yes.

Q. Whose proposition was it that you should give more notes? A. I cannot say whether it was Mr. Morden's or Mr. Wilson's, they were in and out.

Q. Somebody on that side? A. Yes. Mr. Wilson was in and out of my office and I was in and out of theirs; I could not say exactly. And when he states about the Bank Act not shown, I swear that it was spoken of and it was shown and I wish to repeat it, because they sent upstairs to get it.

Q. For what purpose? A. For the purpose of seeing whether the $120,000 on deposit with us, whether it would not cause a criminal charge against me in paying that deposit in that way.

Q. Giving the security you were then giving? A. Yes, giving security for the deposit. There is a section in the Act which says that any preference given to any creditor—

Q. Oh, yes; who suggested that or how did it come about? A. When I asked to consolidate the $120,000 I mentioned that; I mentioned the fact that I would be liable to criminal proceedings.

Q. For giving a preference? A. Yes.

Q. And what about the Bank Act? A. Then I quoted the section of the Bank Act in the presence of Mr. Morden and Mr. Wilson, and Mr. Morden sent upstairs (that I remember quite well) for the Bank Act, and it was brought down, and it was turned up, and Mr. Morden said to me, or Mr. Wilson, I could not swear which one, "Under pressure you are relieved of that".

WILLIAM GREENWOOD, Recalled by—

MR. HODGINS: Since you were examined before the missing ledger that got lost somewhere has turned up and continues the account of the Treasury of Ontario. I want to ask you a few questions about that, because I had not it before me when I examined you before. The account I examined you on went down to the end of 1908. It appears the account ran on through January, 1909, and on till the failure of the bank; what had you to do with obtaining the additional deposits which are shown in that account? A. I remember a deposit of $10,000 that the Government put in.

Q. Can you fix the date for that? A. Well, I listened to Colonel Matheson's evidence and I fancy the Colonel was right when he said 1908.

Q. What is your recollection of it? A. I have nothing to go by, I have no memorandum.

Q. There was one of June 14th, 1907, $10,000, and one on May 19th, 1908, of $10,000, and another on August 10th, 1908, of $10,000? A. I remember some time in May or June of the year 1907 or 1908—when I gave my evidence before I thought it was 1907, but after Colonel Matheson spoke I fancy he is better informed than I am on the date.

Q. There is one of January 8th, 1910, for $10,000? A. No, I don't know anything of that.

Q. Which is the one outstanding; you say you know nothing at all about that? A. No, I know nothing at all about that.

Q. We have made what investigations we can in the World Office and the bookkeeper is here and there is no trace in the World's books of any transaction earlier than that shown in the bank books of December 31st, 1907? A. Well, I guess that is right.

Q. When you were here before you had the idea that they began much earlier than that by the discounting of add notes? A. Well, the World's business with the bank began before the Government put any deposit in the bank; I think that is the position I took.

Q. No, that is not as a matter of fact; June 14th, 1907, was the first? A. We say the deposit was put in in May or June, 1908—

MR. COMMISSIONER: They commenced to deposit in May, 1907? A. I do not know anything about when the Government deposit began, but what I had to do with the Government deposit I asked Colonel Matheson to put in a deposit in the Farmers Bank; but we had been doing business with the Farmers Bank before the Government had put the deposit in as far as I knew.

MR. HODGINS: If the World's business with the Farmers Bank began on the 31st December, 1907, then it would be some deposit later than that? A. Yes.

Q. There were three of them, May, 1908, August, 1908, and January, 1910, of $10,000; which was it? A. May or June, 1908.

MR. COMMISSIONER: Those letters do you see, bear date in June, so that if he is right now it must have been later than June—you remember those letters of yours? A. Yes.

Q. They are dated June.

MR. HODGINS: We almost came to the conclusion the last time that it could not have been the May 19th, 1908, deposit, but it must have been a later deposit; that would make it August 10th, 1908? A. I have nothing to fix my recollection of the time when the deposit was made.

Q. Would that recall to you anything to explain those letters in which you were speaking of Colonel Matheson? A. Yes, those letters I was trying to get a deposit from the Government for the Farmers Bank.

Q. Did you succeed to that extent after the date those letters were written? A. I rather think so.

Q. Then did you ever see or hear of any reply from Colonel Matheson to the letter Mr. Travers said he sent to him? A. No.

Q. Did Travers communicate to you that he was writing or had written? A. No.

Q. Or was going to write? A. No.

Q. Did you ever ask Colonel Matheson if he had received that letter from Travers and answered it? A. No.

Q. There is a copy of a letter produced here dated April 6th, 1909, apparently from Mr. Travers to you, I would like you to read that over and I will ask you a question about it. A. (Witness reads letter).

Q. Did you ever receive that letter? A. Yes, I think I remember that letter.

Q. What was that in connection with? A. In connection with my own cheque of $400 that was cashed by Mr. Travers. The proceeds of the cheque went to the World and it was cashed for the World and when the due date came perhaps of two or three days we were not able to raise the money to take up the cheque and let it slip by and Mr. Travers rang me up and this letter was the result.

Q. Did Travers take it up, as he says with his own personal cheque? A. I do not know about that; I see he said so here.

Q. Did he—you ought to know if it was your own cheque and somebody took it up? A. I think we paid the cheque the next day; as far as taking it up in his own bank was concerned I do not know.

Q. His expression there, giving the reason why he did that, why should he use that peculiar language? A. That is something I don't know.

Q. He says: "You have not kept your word about the $400 cheque and I think it is rather a mean way of treating a friend"? A. That means that I had not kept my word in meeting the cheque on the day I said I would.

Q. He says: "Do not think I am doing this because I fear any blackmail. I have given my own personal cheque for it and beg to enclose the cheque herewith which you can do as you please with". That looks as if he was handing you back your cheque, and he had paid it, and if you did not choose to pay you need not? A. We took up the cheque afterwards.

Q. Why should he use that peculiar language about he did not fear any blackmail? A. I do not know why; he had no reason under the sun.

Q. Did you resent it? A. I think he had me there, I had not kept my word.

Q. Did you ask him for an explanation of that expression? A. No.

Q. Did you know anything of the circumstances of obtaining the certificate to enable the bank to go into operation? A. Never.

Q. Did you know anything about the subscribers on the list that went into the Government? A. No. I think I was in London, Ontario, in the newspaper business.

Q. I mean prior to the date of this letter, April 16th, 1909? A. No, I knew something of the organization of the bank.

Q. Had you any lever upon Mr. Travers or the bank which would justify him in using any such language that he was not doing this because he feared blackmail? A. No, I had no lever on Mr. Travers.

Q. Did you have any talk with him about that letter? A. I may have discussed the thing afterwards but that looked like a letter written by a man who was angry.

Q. Possibly so, but it is a peculiar expression? A. Yes, the chances are the matter may have come up afterwards. I went down and paid the money to him; he got the money back.

Q. Did you ever find out what he alluded to? A. I don't know what he alluded to, nothing that emanated from me.

Q. Did you ever ask him? A. I don't remember mentioning that letter to him.

Q. Did it emanate from anybody else? A. I could not say.

Q. You see there is a suspicion that he was being bled from time to time by people who knew something about the way in which the list in Ottawa had been manipulated, and that they were making use of that as a lever to get money? A. I knew nothing about that. The first intimation I had of anything like that was the evidence that had been brought up in the Police Court after the bank failed.

Q. This is evidently the letter of an angry man, but it does not seem to me that this affords us very much explanation of the language? A. It is no action of mine or any word I did that could bring forth a letter like that.

Q. He sent you a cheque, which would mean that you need not pay it if you did not went to? A. Yes.

Q. Did you as a matter of fact pay it afterwards? A. The World must have paid that afterwards.

Q. Do you know? A. I do not know of my own personal knowledge, except that is what we did frequently. I had cheques frequently cashed by the Farmers Bank.

Q. But this seems to be a personal cheque of your own, and one which you got very sore over; are you not in a position to say whether you ever paid it? A. I am in a position to say to the best of my knowledge we paid the cheque.

Q. Why the qualification? A. I say we paid the cheque without any qualification. I remember one occasion we had a cheque for $350 which was cashed by Mr. Travers and the due date came, it was my own cheque, but the money was turned into the World, the World did not have the money to meet the cheque and I went out and borrowed the money and met that cheque, $350, and while we might not be able to pay it on the day we said we managed to pay it a day or two afterwards. I do not think the World owes any money that the World has not paid or is not paying.

Q. What does Mr. Travers mean by saying, "Do not think I am doing this" —what was the "this" he was doing; look at the letter and see if you can explain it?

MR. COMMISSIONER: Is it not plain what he means—"I am not sending this back to you because I fear blackmail".

MR. HODGINS: I should have thought so except that precedes what he says he is doing? A. It looks plain enough on the fact to me, he is not sending it back because he fears anything.

Q. Had you heard anything subsequent to the granting of the certificate with regard to the discount of notes out at Milton in which VanKoughnet's name had come up? A. No, I do not remember the name VanKoughnet. I remember the Laidlaw stock running through the paper but I don't think I was interested in the bank at that time.

Q. Did you make it your business to ascertain about the Laidlaw transaction afterwards and make use of it with Travers? A. Oh, no.

Q. Did you hear anything about the deal in Syracuse? A. Yes, I heard something about that through the newspapers.

Q. Did you find out about that? A. I spoke to Mr. Travers about that, I wrote a news story about it.

Q Did it appear in the World? A. Yes.

Q. Was that after your conversation with Travers? A. About this particular conversation this letter refers to?

Q. Yes? A. I did not trace the two of them together.

Q. Did you get your information from him that you published? A. Yes.

Q. Was it different from what you had acquired from outside? A. Not greatly: the Associated Press dispatch carried a certain story and Mr. Travers elaborated that; I think it was an elaboration rather than a correction.

Q. Was that Associated Press dispatch published in the World? A. Yes.

Q. As well as the story that you speak of? A. No, I think the Associated Press dispatch was not published in the World: we waited till we got the information from Mr. Travers before we took in the story.

Q. Do you associate the two at all? A. No.

Q. What was your object in seeing Travers about that Syracuse story? A. To give his side of the story; he was a local man.

Q. Did you ever feel he was under an obligation to you for putting his side in instead of the Associated Press? A. I did not emphasize anything like that except I showed my friendliness towards him in putting his story forward.

Q. I see that Syracuse matter was in January, 1910, so that apparently there would not be any connection between that and this letter of the 16th April, 1909? A. No.

Q. Can you suggest what it refers to? A. It may have been some other forces at work that had made him angry and that was uppermost in his mind and he put it in the letter he wrote to me.

Q. You can make no explanation? A. No.

EXHIBIT 80: Letter April 16th, 1909, Travers to Greenwood.

WILLIAM F. MACLEAN, Recalled:—

By MR. HODGINS: I want to ask you now, in view of the fact that this account of the Provincial Treasurer's has been produced in the ledger which had gone astray, if you made any effort to get the deposit which is referred to or any subsequent deposits which are shown in this ledger? A. I made no efforts.

Q. That would apply then to the whole of the Treasurer's account? A. Yes.

Q. You made no efforts to get any deposits? A. No.

Q. You have listened to my examination of Mr. Greenwood, can you throw any light upon the language used by Mr. Travers in that letter to him? A. No, I never saw it, I know nothing of it.

Q. It is most peculiar language, you will agree with me? A. Yes, I know of no reason why he should have used that language, and know of no one ever having made any threats to him.

Q. You cannot account for this in any way? A. No.

Q. Was it reported to you by Mr. Greenwood that he got that letter? A. No, not as I know of; I cannot recall it.

Q. Did he ever say Travers was accusing him of holding him up or anything of that kind? A. I never heard of it.

Q. Did you ever know the peculiar circumstances regarding that list that went to Ottawa, the subscribers' notes; did you ever hear of that in any way which would make you think that Travers had done wrong in connection with it? A. Never, until it was published.

Q. When was that? A. It came out in the examination after the failure of the bank.

Q. You never heard it? A. No, never in any shape or form. I always regarded the bank as trying to pull its way through and getting on its feet, and doing fairly well; I saw roughly the returns from month to month, and saw the returns of the bank, and they seemed to me to be making some headway, and any sympathy I had was to see the bank pull through.

HARRY GOSS, Sworn, Examined by—

MR. HODGINS: What is your position with the World newspaper? A. Secretary-Treasurer.

Q. You and Mr. Clarkson have gone over the books I understand to see when the earliest entry is regarding any business between the Farmers Bank and the World? A. Yes.

Q. And what is that? A. As far as I can find out December 31st, 1907.

Q. There is nothing in the books to disclose? A. No; I cannot tell by that entry that would be the first.

Q. Do you say could not tell by that entry? A. Only Mr. Clarkson said that was the first.

Q. You were not the bookkeeper at the time? A. No.

Q. When did you become bookkeeper? A. About a year ago.

Q. So that you have gone through the books with Mr. Clarkson and according to them there is nothing to show any earlier transactions than December 31st, 1907? A. No.

MR. HODGINS: That is so, is it, Mr. Clarkson?

MR. G. T CLARKSON: The form of the books is such that you cannot tell.

MR. HODGINS: That is the earliest trace you can find.

MR. G. T. CLARKSON: Yes.

MR. HODGINS: You did go back beyond December 31st, 1907. to see? A. I went back beyond that to see, I could not tell, nothing to trace it to the Farmers Bank at all.

W. R. TRAVERS, Recalled:—

By MR. HODGINS: Look at this letter, Exhibit 80 and tell me what you alluded to when you wrote that letter? A. I cannot tell you now directly what I alluded to then, but Mr. Greenwood frequently sent me in a clipping or something that was supposed to have been put in the columns of this paper.

Q. Had been put? A. No, they were sent in I should fancy for the purpose of putting in the columns of this paper which he sent me with a memorandum saying, "I have not taken any notice of this" or something to that effect. They were all in my desk after I gave up charge,—I have seen them since my arrest—but never when he was asking a loan did he ever suggest anything of the sort.

Q. He had evidently given you a personal cheque which was dishonored? A. Yes, I remember that.

Q. And you were angry I take it from that letter? A. I was angry because the cheque was returned through the Clearing House and if I remember right there was some reflection cast on it, I don't remember what it was and I was angry at the time.

Q. You took up the cheque with your own personal cheque? A. Yes.

Q. And sent him back the cheque without asking him to pay it? A. Yes.

Q. And then you say, "I am doing this not because I fear any blackmail"—? A. "Do not think I am doing this because I fear any blackmail".

Q. What is the explanation of that? A. The only explanation is that I had in my mind at that time that there were certain people calling upon Mr. Greenwood to publish some matters that would be detrimental to the bank.

Q. What would they be? A. 1909?

Q. Yes, April, 1909? A. I could not say offhand just now. I remember Lord Templetown had threatened to wire to the newspapers he would resign; I cannot say that that is the date.

Q. That would not bring the bank down if Lord Templetown resigned? A. No, but on top of everything else that was going on I suppose it would have caused a flutter.

Q. You are not suggesting that, are you, as the explanation? A. If that was the date I cannot say offhand, it might have been. I left the items that Mr. Greenwood was kind enough to withhold from publication in my desk, and I cannot recall them at the present moment.

Q. Look at the date of the letter and just reflect a moment, was there anything at that time or just previous to it to give any point to that letter? A. I think there was, but I cannot fix my mind on it for the moment.

Q. It is a peculiar sort of thing to say to a man? A. Oh, I had a reason for it, of course.

Q. To give you a date, you heard from W. R. P. Parker, barrister, letter dated October 28th, 1909, that he had an important communication from Viscount Templetown and would like to see you? A. Then that date does not correspond at all with this. Perhaps Mr. Greenwood knew nothing about that; I am not sure.

Q. Cannot you mention any reason? A. I cannot for the moment; I will have to think it over.

Q. If it was merely with regard to these newspaper clippings, which might be a kindly act on Mr. Greenwood's part, you could hardly allude to publishing them as blackmail? A. I cannot say what was in my mind then, but I might have had perhaps some foolish notion as that in my head.

Q. With regard to that letter to the Provincial Treasurer which Colonel Matheson said he did not get, what have you to say? A. I say that that letter was duly mailed to him, and I think you will find it registered in the letters dispatch book by the party who posted it.

Q. A registered letter? A. No, we have a system in the bank of entering all letters posted, and I got a reply from Mr. Matheson, and I have seen that reply since I have been under examination.

Q. Under examination on this Commission? A. No, before this. Inspector Duncan informed me this morning that he remembered it quite well when I was over there trying to locate it this morning.

Q. In connection with that and other matters you went over yesterday with Mr. Thompson all the papers that are here produced to me by the liquidator or by anybody else? A. Yes.

Q. Were you able to find any such letter or reply from Colonel Matheson among these papers? A. I was not.

Q. Were you able to find that $3,000 cheque which you said on a previous occasion you remember seeing among the papers? A. No, I was not.

Q. I think those are the only two documents you have mentioned; did you find any other document, if there is any, that you have alluded as not being produced on this investigation? A. No, I could not find anything else.

Q. Did you go down to Inspector Duncan in order to see if by any possibility they were still with him? A. I did.

Q. And were you able to find them? A. I was not.

Q. I may say, as far as I am concerned, I have never seen either of those two? A. Mr. Duncan remembers them quite well, and said so this morning to Mr. Thompson.

Q. Is he going to make further search? A. Yes, but he thinks the last seen of it was on Mr. Baird's desk, the late Crown Attorney.

Q. Probably he would make a search, because before we finally close this if they can be found I would like to have them? A. I remember Colonel Matheson's letter.

Q. What was the purport of it? A. It was a sheet of paper written in his own handwriting, and it said, "I have received yours of such a date and I

have made no promises to anybody about putting any money in your bank. Yours truly, Matheson". That is my recollection.

Q. You seem to have continued getting deposits from time to time from the Government? A. Yes.

Q. After the letter of that date? A. I think the books will show we did.

Q. Did you make any further effort yourself after writing that letter to get any deposits? A. From the Government?

Q. Yes? A. I got friends of my, different people, to speak to him.

Q. Who did you get to speak to him? A. I got Mr. Bain, of Bicknell, Bain & Strathy, for one, and Mr. Arthur Vankoughnet for another.

Q. Pulled the wires as far as you could? A. I got somebody else, I cannot remember now offhand.

Q. In the Government returns of the liability to the Provincial Government I think they were shown separately were they not? A. Yes.

Q. It appears that in two cases, in August and September, 1908, you made the amount of the Government return less than you had actually on deposit? A. I cannot account for that, unless it is a mistake as between the Toronto branch and the chief accountant upstairs.

Q. In August of the following year you doubled the amount, put in double the amount you had on deposit? A. I do not think that is right.

Q. It is undoubtedly right, according to the returns? A. I think the amount shown in the return is correct; I do not think we put any fictitious amount in.

Q. You put in $74,042, whereas you had only $35,000 of deposits received and $4,042 in open account?

MR. COMMISSIONER: $35,000 more.

MR. HODGINS: Exactly $35,000 more: in other words, the deposit receipts are doubled according to your returns, whereas, in fact, instead of being $70,000 they are only $35,000? A. I do not think those are the facts. My recollection is the Government deposit went up as high as $77,000.

Q. You cannot account for that? A. No, I cannot realize that any such thing is the case.

MR. COMMISSIONER: Look at that item three: there seems to be no object in it. I do not know why it was done. It was making the bank look worse off.

MR. HODGINS: It would swell the deposits? A. I think Mr. Clarkson is wrong in this; I do not think that is a true state of affairs.

MR. HODGINS: I will have Mr. Clarkson look that up.

Mr. Clarkson produces return of liabilities and assets of the Farmers Bank.

MR. COMMISSIONER: There it is, Mr. Travers? A. I see those figures, but I am still doubtful as to Mr. Clarkson making that $35,000.

MR. CLARKSON: I think it is a clerical error without any effect? A. I am not satisfied with that statement.

MR. COMMISSIONER: Mr. Clarkson's idea is that by mistake that was made $35,000 more than it should have been and this $35,000 less? A. That might have been between the two offices, but I am still doubtful about it. I will look into it further.

The Commissioner and Mr. Travers and Mr. Clarkson examined the book.

MR. COMMISSIONER: They have just put in the $35,000 twice.

The Commission adjourned at 1 p.m. to 2.15 p.m.

The Commission resumed at 2.15 p.m. June 14th, 1912.

WALTER DUNCAN, Sworn, Examined by—

MR. HODGINS: There are some papers which have been mentioned in this inquiry which I have not seen. Mr. Travers says he has seen during his examinations in the Police Court and the Assize Court some of them. I have asked you to come here to find out if possible if all the papers have been handed over that you know of or if you can suggest anywhere where they may have been. I will tell you two I am particularly anxious to get; one is a cheque for $3,000 and the other is said to be a letter in Colonel Matheson's handwriting saying he had got a letter, but he had not made any promises to anybody to make any deposits in the Farmers Bank; and I think there are some other matters, but those two particularly I would like to know about? A. I remember a cheque for $3,000 there was considerable talk between Mr. Travers and I about, that I wanted some explanation from Mr. Travers that I did not get at the time, and my recollection is that either on the stub in the cheque book or on the cheque there was the letter "C"; I remember a cheque for that amount.

Q. That letter has not been handed to me, and I have got everything Mr. Clarkson got, everything that you handed me on the opening of the Commission, but I cannot find among them any such cheque. A. That should be in existence somewhere, because I know that it was in my possession at one time.

Q. Can you suggest anywhere where it would be? A. It ought to be with the other effects of the bank; I do not see any reason for separating that one out from the other cheques. These documents went into so many different hands and they were used in different courts, but I do not think that this cheque was ever put in as an exhibit; it may have been, but I do not know.

Q. I have had Mr. Travers go over personally all the papers that are in my possession and have not been put in as Exhibits here, and that cheque is not among them, and if you cannot throw any light on where it may be we may not be able to find it? A. I have not the faintest idea where it is at the present time. Speaking for the Police Department, we have no exhibits of any kind with the exception of one or two that is in Dr. Beattie Nesbitt's case, but outside of that we have no books, papers or anything pertaining to the bank. It may be, of course, it went astray the same as that ledger, and it may be thrown down with a lot of other documents around some of the court rooms.

Q. Have you inquired from Mr. Corley as to those two documents? A. No.

Q. Did the late Mr. Baird have them in his possession as Crown Attorney? A. I rather think he had; there was a file of private letters from the bank premises, I think it was from Mr. Travers' desk or a little room just adjoining it, I would not be sure, in which there were a lot of matters leading up to some loans that the World newspaper got, and Mr. Baird did not have these, and they were papers that I would think were more confidential than public. And, with reference to the letter from Colonel Matheson, I am speaking just from recollection, but my recollection is that I discussed that letter with Mr. Travers here.

Q. Do you remember seeing a letter from Colonel Matheson? A. That is my recollection, but Detective Guthrie would remember more clearly than I would, with reference to that because although I was into the affairs to a certain extent he knew pretty much and had the handling of a great many of the documents that were in my possession.

Q. Could you send him up? A. Yes, at once. I might say that there was a good deal of discussion with reference to these letters that were on this file; there were a number from Mr. Greenwood who was connected with the World newspaper and some from Mr. Maclean.

Q. You gave me quite a number of those? A. That letter of Matheson's ought to have been on that file. They disappeared in some way and could not be found for some considerable time, the whole of that file; I did not have them and it was said they were likely to make use at some of the elections, either the Dominion or the Provincial elections, and I think Mr. Clarkson sent up once to me for them and I made a search for them and did not find them but they turned up afterwards.

Q. You handed them to me when this Commission formed? A. Yes.

Q. And they were not opened till I opened them up myself and there was no such letter of Colonel Matheson's among them? A. They were in Mr. Baird's possession for some considerable time.

MR. COMMISSIONER: You did not answer Mr. Hodgins' question; does your recollection agree with Travers as to the purport of this letter? A. I do not know what Mr. Travers has said about it.

MR. HODGINS: Acknowledging the receipt of some letter and saying he had not made any promise to anybody to make the deposit in the Farmers Bank? A. I could not speak positively as to the contents of the letter but I know there was a letter from Colonel Matheson.

MR. COMMISSIONER: You are not asked that; you are asked about the contents; if you do not know, say so? A. I cannot speak as to that.

Q. What documents did you get into your possession and by what authority? A. We had a search warrant issued under Mr. Corley's instructions to take possession of certain documents pending certain charges that might be used.

Q. What documents? A. I could get the search warrant.

Q. Were they described, the documents in the search warrant? A. I do not know that they were.

Q. Or did you just do as you have done in other cases under a search warrant, go and take everything that was in sight? A. I know that we had a great many documents there that were not used in the various trials.

Q. That is not answering my question, did you just go and take everything? A. We did not take everything, but we took a great many that we thought would be used.

Q. How did you select, who made the selection? A. I made the selection of some acting under instructions from Mr. Corley: Mr. Corley was at the bank himself; Mr. Clarkson was at the bank and there was another solicitor there, I just forget his name.

Q. Was there any record made in your Department of the books you took and the papers you took? A. I do not think so.

Q. Why, is that the proper way of doing business? A. No, there is usually a record kept, but there are so many documents it would be hard to enumerate them.

Q. I want to see who is responsible for the loss of these documents; did you make any record of what became of the documents when they went out of your possession? A. We took a receipt for them.

Q. Where are these receipts you got? A. We would take from Mr. Clarkson and of course after they went into the Police Court, the Police Court clerk would have a receipt there.

Q. How would the Police Court clerk have the receipt; did your Department get any receipt from anybody when you parted with these documents? A. I believe we did from Mr. Clarkson from time to time.

Q. Anybody else? A. No, when they went into Court we got no receipt.

Q. Because it seems to me little short of a scandal that these important papers should be lost and not to be found? A. I have made every search myself, and in connection with this ledger, that ledger we had no record of it beyond that it was handed over to the Police Court clerk and the Police Court clerk said he had a receipt for it.

Q. Do you keep a record or did you keep a record in this case of the documents you handed over? A. I do not know that we did of them all.

Q. I do not quite understand your explanation about these papers that you say Mr. Baird had; how did they get back from Mr. Baird into your possession? A. I believe Detective Guthrie got them, but I could not say definitively.

Q. Because Mr. Hodgins says he got them from you? A. Yes, I produced them here, and I got them that day or the day before from Detective Guthrie.

Q. Who is the chief of this Department you are in? A. I am.

Q. Is he under you? A. Yes.

Q. Do you keep books? A. Yes.

Q. Perhaps he can give us some information, but it is an extraordinary thing to me that a thing like this ledger would get lost and these papers should get lost? A. When the ledger went into the Police Court the Police Court were done with it, and it is up to the Police Court clerk to take a receipt and he has that receipt.

Q. Who got it from the Police Court clerk as you understand? A. I think it was Mr. Burns of Mr. Baird's office.

Q. Are not the police constables present in the Court to look after these books? A. We have nothing to do with the County Court at all. In the Police Court, the police look after them until after they become an exhibit, and once they become an Exhibit of the Court our duty ends there.

Q. As I understand it your Department is responsible for every paper that was not in as an exhibit, is that so? A. Yes, if we took it away from the bank we would be responsible.

Q. If so, what has become of this cheque for $3,000 and the letters you have been interrogated about? A. My only explanation is they must have gone back to Mr. Clarkson with the rest of the property.

Q. Mr. Clarkson says not: have these things been permitted to pass out of your hands into unofficial place? A. Mr. Staunton, for instance, he was in the case, and he would come in and say "I want to see all those cheques".

Q. I said in unofficial place? A. No, they were officers of Court or officers of the Crown; no one else had access to them except Mr. Clarkson.

Q. Where was this cheque for $3,000 kept; it appears to have some special significance attached to it; it would not be bundled in with the other cheques, where was it kept? A. It was with a number of them.

Q. How many others? A. There were quite a bundle of them. The time I asked Mr. Travers about it we were going over in connection with the provisional board the cheques they had received and were picking them out, and I remember distinctly that one with, it was either on the stub or on the cheque, there was the letter "C" on it.

MR. HODGINS: In answer to the Commissioner you said that no unofficial person had access to any of the papers in your possession, would that include the newspaper reporters or editors? A. No, they would have no access to them.

Q. Did they ever have access to them? A. Not while they were in my possession. I do not know when they went to the County side of the building who had access to them.

Q. What do you mean by the County side of the building? A. That would be Mr. Baird's Department.

W. R. TRAVERS, Recalled:—

MR. HODGINS: Speaking of the early stages of the bank, you formed the acquaintance of a man named Count Gregory pretty early? A. Yes.

Q. And he seems to have gone to the bank for a considerable amount of money? A. No, he did not. I lost a little money with him. The circumstances

of that were these: I had been working very hard, and my doctor advised me to go away for two months, and I could not give up at that time, and he said you will have to get into some other recreation or business that will take your mind off this bank; and he suggested I should buy two or three horses; and I was introduced to Gregory in the King Edward Hotel as a good horseman, and I had never met him before in my life and had never heard of him, and it ended in my sending him out to buy two or three horses and finally in a rather mess and lawsuit in which I dropped some money.

Q. How much? A. About $3,000, I think.

Q. Did you lose more money over Count Gregory than that? A. No.

Q. Did you lose more on your horses? A. No, that was the loss on the horses altogether. I made some money on the horses once or twice. I did not go into them for the purpose of making money; I went into them for amusement. I told him he could have all the profits he made out of it at the time.

Q. Were you raising horses? A. No, buying poor horses in the country, and Gregory is a first-class horseman, one of the best I ever met in my life, and he would trim them up.

Q. You had no more than three horses? A. I had eleven; I started him out to buy three and he bought eleven.

Q. He used to get money pretty freely? A. From the bank?

Q. Yes? A. No, he got money from me for the horses.

Q. Do you say your losses were $3,000 in that deal? A. Yes, $3,000 is all I lost on that, not more than that; I am sure of that.

Q. Did he know anything about the beginning of the bank, how the bank was started? A. No, nothing whatever.

Q. Did any one you lent money to know about it other than whose names you have mentioned as having taken part in making up the list? A. I do not know exactly how to answer that question; I do not know to whom you refer. There were many people associated with me, Mr. Warren and Mr. Stratton and others who helped me with that loan; I don't know whether they understood the true facts or not; they have said here under oath.

Q. Apart from those who were actively concerned in making up the list, was there any one outside who knew about it and used that knowledge to hold you up and get money out of the bank from time to time? A. Well, that is a difficult question for me to answer. People do not as a rule come in and tell you, "You have got to lend the money or they will do so and so".

Q. They have ways of hinting at it that it is better for you to make the loan than do the other thing; you were not subjected to that during the early period of the bank and throughout its career? A. I would have to see the loans I made at that time to answer that question.

Q. Some of them you know? A. I have a faint idea that I was a little nervous about some people, but I am not quite sure that I could answer that just now.

Q. Could you by looking at the loan docket in the early stages? A. I think I might be able to do so.

Q. Are they names you would have to look at? A. I could not say that; I could tell you better if I looked.

Q. Without looking, are you not able to recall the names? A. That is a little difficult for me to do, not that I dislike doing it nor do I wish to refuse to do so, but I cannot answer that offhand.

MR. COMMISSIONER: I suppose what Mr. Hodgins wants to get at is, did you part with the money of the bank to people that you would not have given it to or lent it to, but you feared if you refused the knowledge that they possessed of the internal workings of the bank might be used to its disadvantage? A. I answer yes to that, but I cannot just locate the people offhand.

MR. HODGINS: What book would you want to look at? A. At the loans that were made the first few months. If you had a copy of the liability list that was returned to me from the Toronto branch once a month as general manager I would know more about it.

MR. CLARKSON: That ceased in 1907? A. But that is rather difficult is it not to draw some people in; I want to assist you, but I hate to draw anybody in that way.

MR. COMMISSIONER: Of course it is open to this observation while that might have influenced you it might not have been the thing that was bringing them to the bank? A. You were speaking this morning about the World newspaper, and I have been thinking that over and in 1909 there was a suit of some kind threatened against the bank, and if I remember right Mr. Greenwood sent me down a communication regarding that suit, saying that he did not think he would publish it, he would not hurt me, and my recollection is that my putting in that I did not fear blackmail was that I had Mr. D'Arcy Hinds at Osgoode Hall to get an order from one of the High Court judges to prevent it being put in the newspapers.

MR. COMMISSIONER: The issue of the writ? A. Yes.

MR. HODGINS: What, was it in connection with that? A. I think it was something about Tevis and Knabe; that is my recollection at the present time.

Q. What was there about it that would hurt the bank? A. I was afraid that if they published the threatened writ at that time—I do not remember just the terms of it—it would cause a run. I remember writing to two or three branches about that time and that is my recollection telling them if anything of the sort did appear not to pay any attention to it, as it would not amount to anything.

Q. Had it anything to do with the Keeley Mine investment? A. There was another suit in connection with the Keeley Mine threatened by one Mark Harris, who bought five shares of the Farmers Bank and he threatened suit. The terms of the suit were forwarded to me by James E. Dey, a lawyer here, which were not very comfortable to read, that Mark Harris, on behalf of himself and other shareholders, would bring suit to set aside my personal holdings in the Keeley Mine as belonging to the bank. I got an order from one of the judges to prevent that going in the newspaper. If my recollection is right it is either one or the other of those, but I cannot tell which unless I have the date of it.

Q. While examining Mr. Fielding in Ottawa, he denied entirely that he ever had seen any subscriptions, and said if you said he saw them you must have confused him with Mr. Boville? A. I saw a synopsis of Mr. Fielding's evidence, I did not see it in full. I hate to dispute his evidence, but I think he is wrong. If I remember right, you asked him whether he said anything about Lindsay's subscriptions, to which he answered no. That is absolutely wrong, because he did; he pointed it out to me. He is mistaken on that. I hate to dispute him, but I am sure I remember that, and it was Mr. Fielding, not Mr. Boville.

Q. He says he had only one interview with you, not three? A. I think he is mistaken on that, too, for he stepped outside his door, and I think my evidence shows that they were brief; the first one or two interviews, he said he was too busy, and then I came back and talked to Mr. Boville about what sort of returns would have to be made by the bank at the end of the year—I quite recollect that; I have been thinking it over since and I am positive that I saw him twice for a minute or two and the third time was the longer interview.

Q. That was the twenty-minute interview? A. The last time?

Q. Yes? A. It lasted longer than that, longer than twenty minutes, I think.

MR. COMMISSIONER: He differs as to the time, too.

MR. HODGINS: He said it was about noon on the 30th when the only interview he admits took place? A. I have been trying to locate the calendar for

that year; I spoke to that young bank clerk that went out, to see if he could help me with these books to get that clear in my mind, and I was also trying to find out the night he delivered his Budget.

Q. That is the 29th. A. That he delivered his Budget?

Q. Yes? A. Then it would be in the morning of the 30th.

Q. That is what he said, about noon on the 30th? A. It was after the budget that I saw him for the lengthy period.

MR. COMMISSIONER: The witness's evidence was it was about 4 o'clock, and in that it would agree possibly with Mr. Guthrie's evidence.

MR. HODGINS: You said you saw him in the afternoon about 4 o'clock, and you went back to Mr. Guthrie's office? A. Yes. The evidence I have given I think, as far as I can remember, is correct; the first one I could not say whether it was the 28th or 27th; I was there all the week. The meeting of the bank was on Monday, the 26th, and the morning I saw him, but the second time it was the morning of the 30th and then the afternoon would be the longer one; I am not sure whether the longer one was in the morning or the short one in the afternoon, or *vice versa.*

Q. He is quite positive he had only one interview with you, and he did not discuss the subscriptions and when he saw you he had already written a letter which had not reached you which you went and got and sent over your reply to or brought it back and having got that he ordered the certificate to issue? A. I think he is mistaken on that point. He certainly spoke of the number of the subscribers; I remember that well.

Q. You also said you know that he discussed several of the subscriptions? A. He discussed the subscriptions of Laidlaw: I cannot say that he took each one of them up, but I remember his speaking to me, asking me what was done in the matter, and I said there was nothing in the Bank Act that enabled us to remove those, and I had left them on, and there was sufficient without them.

Q. You did discuss with him generally the question as to whether the money put up by the Government had been raised by discount of notes? A. No, I did not; I never said that.

Q. That appears to have been what he discussed with you? A. No.

Q. That you wanted something in writing? A. The first I heard about that was his letter.

Q. You mean to say he did not discuss that phase of it with you at all? A. No, he did not discuss that with me personally to the best of my knowledge and I think I am right.

MR. COMMISSIONER: I do not know that he said that; he said that his request was in general terms, he wanted to be sure that everything was correct and accurate as stated in the papers; I do not recollect him to have said that he talked to him about payment in cash? A. He should remember speaking about Lindsay's $50,000.

Q. He denied that, he said he never discussed any—

MR. HODGINS: My recollection of his evidence is that he said he discussed the question of the payment up of the amount that was deposited, and that he wanted something in writing from Mr. Travers who had said it was all right? A. His letter came to me like a thunder-bolt out of blue sky when I got that letter about the subscriptions, I remember that quite well, and I went right to Mr. Guthrie's office with it.

Q. It seemed odd, if, when the whole point of the letter was whether the money had been borrowed to put up the deposit to the Government that it should not have been mentioned between you and Mr. Fielding? A. I am positive that he never said a word on that.

Q. You still think you had three interviews? A. I still think I had three interviews with him.

Q. At which interview did Mr. Calvert accompany you? A. My recollection is the morning of the 30th; I cannot fix that entirely, whether that was the long one or the afternoon was the short one, but I feel positive Mr. Calvert was with me that second interview.

Q. That would be the first interview on the 30th? A. Yes.

Q. The morning interview? A. Yes.

Q. There was both the morning and the afternoon interview on the 30th? A. Yes, that is my recollection.

Q. The day you got your certificate? A. Yes.

Q. If you saw Mr. Fielding the day before what did you want an introduction for? A. I asked Mr. Calvert to go down with me in case I needed his assistance.

Q. If you had seen Mr. Fielding the day before there would be no necessity for an introduction? A. It was not introducing me, he simply went in with me, and told Mr. Fielding I was a friend of his.

Q. He was only with you on one occasion? A. Only one.

Q. Would Mr. Calvert be right when he says that the first time he met you was in the Russell House by letter of introduction from Thomas Urquhart, and that he had never heard of you before? A. I do not think he is right in that. My recollection is that Mr. Urquhart gave me a letter to him, but it was not a letter of introduction, it was a letter asking him to use all the influence he could to help me, but I do not remember that letter as a letter of introduction.

Q. I asked him how did he become acquainted with you, and he said "The first time I met Mr. Travers was in the Russell House by letter of introduction from Mr. Thomas Urquhart."

"Q. Then you had not known him before? A. I never met the gentleman before.

"Q. Did you vouch for him at all to the Finance Minister? A. I knew nothing of the gentleman except what the letter said."

Q. Had not you been in correspondence with him much earlier in the year? A. My impression is yes; but I cannot positively state; I think I saw Mr. Calvert earlier in Toronto.

Q. Of course you might have corresponded with him without knowing him, but did you know him before you went down to Ottawa? A. My impression is I did, and I am trying to locate how.

Q. Whose handwriting is that memorandum in; is that yours or Lindsay's or whose? A. That is mine; there has been something torn off that.

MR. COMMISSIONER: It may have been in tearing apart a sheet? A. I do not think that was in book form.

MR. HODGINS: Here is a letter dated as early as July 11th, 1906, from Calvert to yourself? A. Yes, this is months before.

Q. He was writing to you declining to be a director? A. Yes.

Q. There is a letter here from Mr. Leggatt which speaks of Mr. Calvert as early as March, 1906, speaking of having met Mr. Calvert one of your directors; did you know him and did he know you long prior to November, 1906? A. I cannot locate just at the moment whether I met Mr. Calvert, but my impression is I knew him a long time before that. He says here "Dear Mr. Travers". It is not very likely a man that never met me would start his letter off with that.

Q. Was the earliest transaction that Mr. Calvert had the loan which he spoke of as being in 1909, or had he guaranteed a transaction earlier than that? A. I think the first transaction I had with Mr. Calvert was in connection with Rabbit Mountain Mining Company.

Q. That was when? A. Early in 1907, if I remember.

Q. Had he made a guarantee of any kind? A. I think he did in connection with somebody else. Mr. Clarkson has the records there.

EXHIBIT 81: Letter of July 11th, 1906, from W. S. Calvert to W. R. Travers.

Q. Looking at this letter December 8th, 1908, from Calvert to yourself which speaks of the guarantee, what guarantee is that spoken of? A. To the best of my recollection Mr. Hamilton and one or two others were getting advances for the flotation of the Rabbit Mountain Mining Company and Mr. Calvert was in the background to be guarantee, that is my recollection.

Q. To whom was that guarantee given, was it in the first place given to the bank? A. Yes.

Q. Would that be the early part of 1907? A. Sometime in 1907; I may be wrong in that.

Q. There is a document dated April 10th, 1907; "In consideration of the Farmers Bank discounting a demand note of $15,000 signed by P. H. Hamilton and some others it is agreed that $60,000 stock of the Rabbit Mountain Mining Company should lodge as collateral security", and so on would that fix the date at all? A. Yes, that is the transaction I should say.

Q. That is not signed by Mr. Calvert. Had you an independent guarantee from him? A. My recollection is that I had, yes.

Q. That letter that I am putting in on December 8th, would that refer to that guarantee? A. This ran along for some length of time and got unsatisfactory.

Q. Would that letter refer to the guarantee in that Rabbit Mountain matter? A. I would say it would.

Q. To what extent was there a liability on that? A. At the time of the letter I could not say now.

Q. This letter of December 8th, 1908, from Calvert to yourself winds up with speaking of a telegram at Woodstock: "I trust the telegram was received O.K. at Woodstock and that you succeeded to your entire satisfaction". Do you know what that is? A. From memory I would say I had a suit against some shareholders in Woodstock on or about that time, and their defence was that Calvert did not become a director. I am not positive about that, but very likely I had to telegraph him either he would be on hand or some other explanation: I cannot say just now.

EXHIBIT 82: Letter W. S. Calvert to W. R. Travers, dated December 8th, 1908.

Q. This letter of September 4th, 1909, from Calvert to you would indicate that you had a bond in connection with that which he wished you to return? A. I presume that is the same transaction.

Q. He speaks of a bond he wants you to return and then he says his own personal account he will settle up at any time? A. There was a personal loan made to him as well in between or about that time.

Q. He says the first transaction he had was in 1909; did you get anything out of that Rabbit Mountain thing except payment of what you had advanced? A. No, I got the amount advanced at interest. There were three men on that note, two of whom were no good; the third man was William Snider of Waterloo whom I knew well, knew him to be well off; I knew he was worth the money and I finally made him pay it.

Q. So that you lost nothing? A. I lost nothing; I had to give up that stock to Snider.

Q. What stock? A. That Rabbit Mountain stock.

Q. You had to give it up to him for what purpose? A. To enable payment: I did not think it was any good at that time, so that it did not make much difference.

EXHIBIT 83: Letter from W. S. Calvert to W. R. Travers dated September 4th, 1909.

Q. Was Calvert a stockholder in the Rabbit Mountain Mine? A. I could not say, but I think so; I think Mr. Calvert and also a lawyer named Bull in the Temple Building and Hamilton and William Snider of Waterloo was the principal if not the holders of all the stock.

Q. Were not you in the syndicate too? A. No, I was not in the syndicate, it was simply the profit to the bank for that loan; I had no personal interest in it.

MR. COMMISSIONER: We had some entry in the books about the Rabbit Mountain Mine? A. When we got this stock we dropped some of the organization expenses and put some of the stock in the place of it.

Q. Put this Rabbit Mountain? A. Yes.

Q. You had to give it up? A. Yes, I had to give it up to Snider in order to have payment of the $15,000 without a law suit.

MR. HODGINS: So that it was not a refuge any more for any of the organization expenses; they had to be put somewhere? A. I suppose we had to put them to the Keeley Mine then.

Q. Will you tell me what you can about this note, do you know what it is in connection with? A. I could not say; it has apparently never been put through the books. It may have been one of those notes I mentioned the other day as having been left behind in the drawer.

Q. There is just one other little matter; when Mr. Fielding was examined he spoke of the Bankers' Association or the Clearing House having received your bank with open arms. I have got the correspondence with Mr. Knight here; you had to assert yourself as I read these letters a little bit, in order to get action taken with regard to your joining the Bankers' Association? A. You become members of the Bankers' Association immediately the certificate is issued, but not members of the Clearing House.

Q. This letter perhaps of Mr. Knight's expresses the thing just exactly as it was; just look at that and see if that was the situation then. He says a chartered bank becomes a member of the Bankers' Association nolens volens? A. Yes.

Q. But that your admission to the Clearing House depends upon the will of the majority? A. Depends upon the joining in the combine not to pay any more interest than 3% on deposits; that is all it amounts to.

Q. Did you join in that combine in order to get into the combine? A. Yes, I did; I had not any intention of going into the Clearing House; I thought it was better to work on the outside; but Mr. Yarker was an old personal friend of mine and he came up and showed me the advantages of it and practically coaxed me into it; that is the way I went in.

Q. Would you agree with Mr. Fielding about the open arms of the Bankers' Association and the Clearing House? A. I cannot say that they opened their arms very wide to bring me in.

Q. What was their attitude towards you? A. The Bankers' Association?

Q. Yes? A. As an Association I think they put very bitter opposition in my way. As to certain members of the Association they were not unfriendly to me, but without mentioning names, some of them were very bitter.

Q. Your joining the Clearing House was in the way you have told us; had you to make an agreement? A. I had to sign an agreement there that we would not pay more than 3% on deposits and subscribe to some other regulations; I have forgotten what they were.

Q. There was no objection to your going in if you did that? A. I don't remember any objections raised whatever. It saved them an awful lot of trouble rather than coming up to our counter every time to cash every ten dollar cheque to have us in there and clear once a day.

Q. How long were you a member in good standing in the Clearing House? A. From the date we joined, whatever that date was; I do not know whether this fixes the date or not, perhaps it does, the 24th January, 1907—no, it was later than this, but until the bank failed.

MR. HODGINS I will put Mr. Knight's letter in.

MR. COMISSIONER: Where is the letter to which this was an answer? They had better go together.

EXHIBIT 84: Letter of January 22nd, 1907, from Mr. Travers to John Knight, Secretary of the Bankers' Association, and reply by Mr. Knight, dated the 24th January, 1907.

GEORGE GUTHRIE, Sworn, Examined by—

MR. HODGINS: You are a Detective in the Toronto Detective force? A. Yes, sir.

Q. Your immediate chief is Inspector Duncan? A. Yes.

Q. He think that perhaps you can throw some light on some documents we have not been able to find, one is a cheque for $3,000 and the other is a letter said to be written by the Honourable Colonel Matheson to Mr. Travers about depositing in the Farmers Bank; they are not among the papers that have passed through my hands? A. I cannot speak definitely about the $3,000 cheque, I do not remember that. We had a lot of cheques. There was such a letter as the Matheson letter at least a letter written by Mr. Matheson to Travers, I remember seeing that one, but the contents have slipped my memory, but I remember there was such a letter.

Q. Where would that be? A. If my memory serves me right that was handed over to the Ex-County Crown Attorney, that is the late Mr. Baird, with some Maclean letters; they were all on a file.

Q. You remember you came up with Inspector Duncan the day this Commission opened? A. Yes.

Q. And he produced and handed to me quite a number of papers, all of which I have kept here in the bundle which he handed me which he said related to the World account? A. Yes.

Q. That bundle I did not open until I arrived at the World matter in due course. There was no such letter there and Mr. Travers and Mr. Thompson have both gone over that, and cannot find it; who did you get them from? A. I got them from Inspector Duncan, that is part of them, and part of them in going over the papers and I put them on a file.

Q. You thought they went to Mr. Baird? A. Yes.

Q. Before I got them how did you and Inspector Duncan get them? A. I cannot say whether they were sent back to Inspector Duncan or not, but I received them from Inspector Duncan, if my memory is right, and put them on a file and had that file locked in my locker up to just shortly before you received them.

Q. How did they come back from Mr. Baird? A. That I cannot say for sure.

Q. Are you speaking of what occurred after they came back from Mr. Baird? A. Yes, afterwards.

Q. Do you know whether that letter was among them then? A. No, I cannot say it was, I do not know; and there is another matter there about that ledger. When Mr. Clarkson spoke to me about it some little time ago I went down to the Police Court clerk and I asked him about it and he said there was a receipt from County Constable Burns to take them over to the other Court and I followed them over there and I searched all over and I found that book in back of His Honor Judge Winchester's Chambers and started down with it to Mr. Clarkson's office. When I got on Colborne Street I looked at the ledger and on the back of it was "Royal Bank of Canada". I said there is no use my going down with that book, I would be only laughed at and I took it and put it back of His Honor's Chambers again. The back of the book had the Royal Bank of Canada; that is what deceived me in that book. I had it and started to take it down there.

Q. Can you suggest where we can send for these? A. I do not know at all; I have no idea; I have not another paper of any kind belonging to the Farmers Bank.

Q. You have not made any inquiry I suppose as to Mr. Baird's office or any one connected with him? A. I think I would have found that letter had it been there when I was searching for these other papers and this ledger; I got into the Crown Attorney's desk and searched all through.

Q. The desk at the City Hall? A. Yes.

Q. Have you spoken to Mr. Burns and asked him? A. Yes, Mr. Burns claims he got a receipt from Mr. Clarkson for all the exhibits, although he could not have got them all.

Q. I am speaking of those which are not exhibits? A. No, I do not know anything about them; I did not speak to him about those.

Q. I wish you would? A. I will; of course I might say these exhibits were carried from here to Hamilton to Mr. Lynch-Staunton's office; I carried an armful up one day and left them there, and they were given back in my arms at the Union and he said he was going on to Ottawa; and Mr. DuVernet had them after that; so that he would lose a lot of sleep trying to keep track of them.

GEOFFREY T. CLARKSON, Recalled:

MR. HODGINS: What have you to say about the papers? A. The matter started this way: I think the second day after I was in the bank the Crown sent down to go over the books and papers of the bank in order to get evidence. I gave them carte blanche to go in the bank and take whatever documents that they found or that they required, and I did not pay attention to it.

Q. You took possession as curator? A. Yes. I had other things to occupy my mind at that time and I was quite content that they should take what papers and documents they wanted; I did not know what they got as a matter of fact so far as letters and things were concerned. So far as books were concerned I made it a business to keep a pretty good eye on that because I might need them. From time to time I was interjected into this question of getting evidence because as far as the bank was concerned, particularly in the head office, all the bank things were at loose ends and Fitzgibbon had mislaid his papers in one place and another and they could not be found and from time to time I had to do with it that way more in the way of trying to impress upon them to find documents. That is the way the matter rested. The papers went over to the Crown. Any papers I put my hand to and dealt with with the Crown I knew where they went to; any that I got back from the Crown I made certain that we had a list of that we got back so that we could keep track of them and not be called to account for any papers we got from them, and then have it said that we had mislaid them. All the papers I had in the shape of exhibits or cheques or letters have been kept in the time-lock safe; there is no possibility of any papers that come into my possession going astray.

Q. All the papers that have been produced here have been produced from your custody? A. Yes; you got all the papers that I have that I know of. Of course there are the files of the bank and volumes and papers down there.

Q. You know since the inquiry has been begun they have been either in Mr. Thompson's hands or mine or in the safe up here? A. Yes.

Q. Have you ever seen in going over these papers either of those two particular documents that have been mentioned, the letter or the cheque? A. So far as the $3,000 cheque is concerned, no, I never saw it; I do not know that I ever heard of it; if I did hear of it it did not stick in my mind as anything particular.

As far as the letters to the World I remember those very distinctly, but I remember having given them over to the Crown or Mr. Baird, and not getting them back; and when some evidence came out in one of the newspapers about it. I did not feel it was in the interest of the liquidation to have this made a political football any more than was necessary and I sent for those papers and I was then told that they never had them, the Crown had not them, and also by the Crown Attorney's office that they never had them. I persisted in trying to find them and they could not be found; and then most of them turned up in your hands in this inquiry. Inspector Duncan has been more solicitous than anybody in trying to see that those papers were kept in order.

MR. HODGINS: I have a very large quantity of letters from people who are depositors or shareholders in the bank setting out, what is perfectly true, a great deal of misery occasioned by this failure. I do not think that there is any object in putting them in unless you care to look at them.

MR. COMMISSIONER: I saw a number of them. I suppose they are all on the same line asking you to press the investigation up to the utmost in getting him to tell all he knew. I suppose if there was any information there you have used it.

MR. HODGINS: Yes. Really there is no information excepting the circumstances of these various people and the straits to which they have been reduced; and they feel they are not going to get the money they deposited in the bank.

The Commission adjourned at 3.30 P.M. until Saturday, June 22nd, 1912, at 10 A.M.

Toronto, June 22nd, 1912.

The Commission was to meet at 10 A.M. to-day, but as the Commissioner found he could give two days next week to the hearing, it was arranged to continue the sittings of the Commission at 11 A.M., Thursday, June 27th, 1912.

Toronto, June 27th, 1912.

The Commission resumed at 11 A.M., at Osgoode Hall.

PRESENT:—

HON. SIR WM. MEREDITH, Commissioner.
FRANK E. HODGINS, K.C., and JOHN THOMPSON, K.C., representing the Dominion Government.
H. H. DEWART, K.C., representing Dr. Beattie Nesbitt.

DR. WILLIAM BEATTIE NESBITT, Sworn, Examined by—

MR. HODGINS: You were president of the Farmers Bank? A. President for the first year.

Q. Do you remember when you took office? A. Well, I think they had an organization meeting in the fall of 1906.

Q. It was the organization meeting you were elected a director? A. Yes.

Q. The organization meeting was held in November, and you were elected a director, and immediately after that meeting, the directors met and elected you president? A. Yes.

Q. And then you recognize this letter I suppose, Exhibit 37? A. May 10th, 1910, yes, that would be about four years after that; I recognize the letter.

Q. Did you read it? A. Yes.

Q. Note the date it refers to? A. December 6th, 1906.

Q. That would be after you became president? A. Yes.

Q. Is what was stated in that letter correct? A. At the time that I gave that letter, as you see there, I was referring to a conversation I had with Mr. Travers; there was some case up between him and Mr. Lindsay, and a dispute as to their accounts in some way, and he spoke of the matter and I had an arrangement with Mr. Lindsay by which the $5,000 I received was to come out of his commissions.

MR. COMMISSIONER: $5,000 in shares? A. $5,000 cash; I afterwards bought shares with it. It did not go out of the bank; it stayed in the bank as far as I was concerned; and so Mr. Travers spoke about our meeting at that time and told me and referred to the arrangement and to Lindsay giving me the money. At that time I practically took his recollection for it in drawing the circumstances to my attention and since the investigation has occurred I noticed in the papers that Mr. McCorquodale had said he was present at the time that Lindsay was. I do not remember McCorquodale being there and it has just put a doubt into my mind as to whether I had actually got the money from Lindsay or Mr. Travers, I could not swear positively to that now, with the statement of Mr. McCorquodale that he was there, because I think I would have remembered; I could remember better by men being present than by dates.

Q. Did you know on May 10th, 1910, what the facts were? A. At that time as I say I had a conversation with Mr. Travers and he tried to draw the circumstances to my attention and it seemed to me they were about right, I thought they were right at the time, but I am not positive now.

Q. It was rather an unusual transaction that Lindsay should come in Travers' place and hand you a parcel of Traders Bank notes to the amount of $5,000 in $100 dollar bills? A. The arrangement was that I was to get the money from Mr. Lindsay's commissions.

Q. You ought to remember I think the circumstances? A. I just cannot be positive about it.

Q. Look at the letter again, are you throwing doubt on the statement in the letter or are you not? A. As I say as regards the statement in the letter that was my recollection when Mr. Travers drew the circumstances to my attention, at the time. This is four years after the event occurred, this was several years after the event occurred, and in the conversation of Mr. Travers it seems to me that that was the right interpretation of it, and I have been trying, endeavoring to recollect various things that occurred in connection with this investigation.

Q. You are throwing doubt on the accuracy of the statement in the letter? A. As regards that portion of it, I would not be positive about it.

Q. What portion of it? A. As regards the actual handing of the money by Mr. Lindsay to me.

Q. That is the whole thing in the matter? A. No.

Q. It was handed to you by Lindsay? A. No, that is not the whole thing.

Q. Was it not a question whether you got it or Travers got it? A. There was no question at that time as to who got the money.

Q. There was no question you got the money? A. There was no question I got the money.

Q. Is the question who handed it to you? A. That is all.

Q. What is the doubt, if it was not Lindsay, who was it? A. As I say I would not be positive whether it came right out of Mr. Lindsay's hands to mine or

Mr. Lindsay's hands to Travers and then to mine, I was in the bank at the time and I say I think it is a pretty hard matter to remember where you were several years ago, I think I was in the second room, that would be Mr. Travers' private office then. Mr. Lindsay handed Mr. Travers the money and Mr. Travers stepped in and handed it to me, or I got it direct from Lindsay, I could not swear.

Q. That letter was intended to establish the fact that Lindsay handed it to you and Travers did not? A. I do not know about that, the letter was intended to establish this fact, because this was the understanding, I had made an arrangement with Mr. Lindsay as regards that $5,000, I had a previous arrangement with Mr. Travers, and I made the arrangement with Mr. Lindsay as regards that $5,000, and what I wished to establish was that as far as I was concerned the money was coming from Mr. Lindsay, but I do not know just why the letter was put in that shape, because I did not not consider it of any particular importance at the time.

Q. The explanation of the letter is that you wanted to make it clear that it came to you? A. From Mr. Lindsay.

Q. And not from Mr. Travers? A. Not from Mr. Travers.

Q. Travers had recalled the circumstances and pointed out to you what he wanted the letter for, to make use of it in the law suit? A. He wanted to use it in the law suit.

Q. Did you ever give evidence in accordance with that letter in that law suit? A. No.

Q. You remember the circumstance now that you got $5,000 from Lindsay? A. I cannot be positive, I won't swear positively now, whether it was handed to me by Mr. Lindsay or Travers.

Q. How did it come to be handed to you at all? A. When Mr. Travers first talked to me about being connected with the bank the suggestion was that I should be a director, and they were in difficulties at the time.

Q. Who are they? A. The gentlemen who were organizing the bank.

Q. Who were they? A. As far as I knew, Mr. Travers and Mr. Lindsay, and on account of the threatened suit, by I think it was a suit threatened by Mr. Laidlaw—there was some altercation by Mr. Laidlaw and it was shortly after I think the failure of the Ontario Bank, and then the suit or threatened suit, whatever the altercation they had with Mr. Laidlaw.

Q. Are you fixing the date when they spoke to you by these two events? A. I am trying to get near the date, and after that altercation with Mr. Laidlaw I rang up Mr. Travers and told him that I was pleased with the way he had held up his end of the fight, and anything I could do for him I would be glad to do. He came over and saw me, I do not know just how soon after that, and had a talk with me and wanted me to become a director of the bank. I told him at the time I did not feel that I could subscribe and take the amount of stock required to qualify a director; that was $3,000. There was some further conversation, I could not say when, and it finally resulted in his saying that if I would be a director that he would advance the money; that he was having some large commissions in connection with the organization getting the stock, and that he would advance the money to pay for my stock as a director, and that I could repay him at my convenience. I then subscribed for $3,000 of stock.

Q. Would you mind pausing there for a moment, was that interview with Travers, your ringing him up over the telephone and discussing it, after that with him where he promised to qualify you, the time at which you agreed to become a director, does that fix the time at which you agreed to become a director? A. Yes, I think so approximately.

Q. That would be after the Laidlaw fight had been disposed of? A. Yes.

Q. Would you tell me whether previous to that time you had seen any one in connection with the bank? A. I have been trying to place that. I did see some one, it was some months, I could not say how many, but I know it was some

months before that Mr. Macorquodale came to the Registry Office one day to see me about taking stock in the Farmers Bank. I had known him very well, he had been a supporter of mine in North Toronto, and he was rather a clever writer in some ways, and I rather liked him, and he spoke to me about taking stock, some months before, and I think, I could not be positive, but I think he asked me to go down with him on the same evening that he spoke to me to see Mr. Travers at the Queen's and have a talk to him, and I went down with him and I met him at the Queen's that evening, and I met Mr. Travers for a few minutes; he introduced me to Mr. Travers, and I met him for a few minutes, and we had a little talk about the affairs of the bank and one thing and another; and then I left him there, and I have an impression that I subscribed with Macorquodale for two or three shares—I mean at that time I was doing it with the idea of helping Mr. Macorquodale; I thought it would help Macorqudale to go down and meet Mr. Travers and he would likewise get some commission from the two or three shares subscribed for.

Q. Two or three months before you telephoned to Mr. Travers, speaking of the Laidlaw matter? A. It was some months before.

Q. And there was no talk then of your being a director nor of taking any stock? A. There was talk of my taking stock and being interested in the bank, and I think Mr. Macorquodale spoke about my being a director, do you see, but there was nothing came of it.

Q. Nothing came of it at all? A. No.

Q. Nothing came of it during the intervening months? A. No.

Q. What was your occupation at that time? A. I was in the Registry Office.

Q. You were Registrar, were you not? A. Yes.

Q. West Toronto or East Toronto? A. West Toronto, I think.

Q. I asked you that because you spoke of not being in a position to take stock to qualify to the extent of $3,000: the income from that office was very large, was it not? A. I was using it all.

Q. It was very large? A. Yes, it was about $9,000 at that time. My idea was not that I could not afford to take the stock at that time, I could have done it but it was not convenient for me; I had other things I wanted to do.

Q. You were not in such a position you could not have qualified if you had wanted to? A. I imagine I could have raised the money if I had absolutely wanted to.

Q. Did you see Lindsay at all between that Macorquodale interview and the time you rang up Travers after the Laidlaw matter? A. Not that I can remember of at all.

Q. Do you know him at all? A. I knew Lindsay as I knew thousands of men.

Q. Had he canvassed you? A. No.

Q. I suppose whatever arrangement was made out of which this $5,000 came, it was made after your conversation with Travers, following your ringing him up on the telephone? A. Yes.

Q. We have pretty well the date of the closing of that Laidlaw matter fixed, so that we can get about the time of the year it was; the suit was begun on the 23rd October and I think ended on the 28th October; who did you make the arrangement with out of which that $5,000 came from Lindsay? A. The matter of making that arrangement was this, as nearly as I can remember now: I had arranged with Mr. Travers to be a director for the qualification as I say. After that—of course I will tell you it is a little difficult in the light of what has occurred now, you know, I did not know at the time, I was not aware of the actual difficulties they were having with their organization, I did not know that the organization that they were figuring on having were running away from them.

Q. You told us a little while ago that Travers said there was difficulty owing to the Ontario Bank failure? A. He said they were having difficulties.

Q. I want to know what arrangement you made out of which this $5,000 came? A. I made an arrangement after the directorship was arranged, and I subscribed for the stock of a director; then the question of the presidency of the bank was suggested to me, whether Mr. Travers suggested that first or Mr. Lindsay suggested that first I would not be positive now; I had conversations with both of them about it.

Q. Before you go on, you say you arranged with Travers at all events to become a director? A. Yes.

Q. And the qualification you knew was $3,000? A. Yes.

Q. And he was to find that? A. Yes.

Q. Then you would subscribe for the shares and he would find the qualification? A. Yes.

Q. That was the first arrangement? A. Yes.

Q. You had better go on and tell your story; there was a subsequent arrangement? A. Yes. Then, you see, when the discussion of the presidency arose, when I finally decided to accept the presidency, I arranged with Mr. Lindsay that the $5,000 which I received which I was going to use to buy the stock—

Q. We have not heard anything about your arrangement with Lindsay or the offer of the presidency yet? A. I have told you that the question of the presidency was discussed, whether it was first suggested to me by Mr. Travers or Mr. Lindsay I could not say now, which one suggested the fact that they wanted me to be president first.

Q. Somebody did, and there was some discussion as to qualification? A. Yes. I talked the thing over with Mr. Lindsay, and Mr. Lindsay said of course he would go half and Travers would go half. Now, I said to him, "Mr. Lindsay, as I am going to be the president of the bank I would prefer not to be under, as it were, a direct obligation to Mr. Travers, who will be the general manager, for my stock".

Q. Whom did you say this to? A. Lindsay. "So I want the money for the payment that goes to pay my stock to come from your commissions, to come from you"; and further in that connection there was this, that Mr. Lindsay wanted the agency for the disposal of the bank's stock subsequent to the organization; he wanted me to support his application; he wanted the control of the balance of the bank's stock for a year I think, and that he would receive the commissions on it, and he wanted me to support him for that. I told him I considered that was perfectly fair, as he had done hard work in getting the stock placed before the bank was organized, and he should have the first opportunity of what would appear to us to be easier to sell the stock after the bank was organized and going, and he was very anxious to have that arrangement, and so then the arrangement was made with him, just in that way, that the $5,000 was to come from him to me, and then I was to support his application for the right to sell the stock afterwards.

Q. Does it mean he secured your influence for the $5,000? A. No, it does not mean he secured my influence for the $5,000, but it means that is what he wanted, and I considered that perfectly fair for him to have; I would have given him that anyway.

Q. It did not enter into that matter with you? A. Not with me.

Q. You did not want to be under obligation to Travers, whose acquaintance you had made a few months before, why were you willing to be under obligation to Lindsay, who was only a casual acquaintance? A. Lindsay was not an officer of the bank. There was a wide difference between the position of Mr. Lindsay and the position of Mr. Travers; Mr. Lindsay was not an officer of the bank.

Q. Why should Mr. Lindsay want to make you president and qualify you? A. That was a matter between Mr. Lindsay and Mr. Travers; they wanted a president, I imagine.

Q. You were the one who was getting the office, did not you find out why these gentlemen were willing to qualify you—you seem to have differentiated between Travers and Lindsay and willing to accept the qualification of one and not the other? A. I should think it would be perfectly clear why I would prefer to have my dealings with Lindsay, who would not be connected officially with the bank in any way, rather than Mr. Travers, who would.

Q. Did you tell Travers so? A. I am not sure whether I told Mr. Travers so or not.

Q. Did you tell him; it would seem to me to make no difference? A. I don't think it would, it should not; I should think Mr. Travers would appreciate the situation as well as I would; I always found Mr. Travers very fair.

Q. I suppose you knew that Lindsay was employed by Travers to sell stock, and Travers was paying Lindsay commissions and not the bank? A. I do not know the arrangement.

Q. Did you consult Travers and ask him or ask Lindsay? A. I simply understood that Lindsay had a large amount of commissions coming to him; I also understood that Mr. Travers had some commissions coming to him.

Q. Then if you made the arrangement you would naturally expect that Lindsay would hand you the money, whatever it was, when he got it out of his commissions? A. Oh, no; I do not think that that follows at all.

Q. You understood that Lindsay was working directly for the bank and had an independent claim for commission? A. I understood Mr. Lindsay was working for the provisional directors of the bank and had claims to commissions for stock he had sold.

Q. Directly? A. Yes.

Q. So that he could qualify you out of his own money? A. Yes.

Q. Not Travers' money at all? A. He could do that, sure.

Q. Then as I say it would be quite natural he would hand you money direct, would it not? A. I do not know as it would, because I might not be there at the time; he might hand it to Travers to hand to me, for instance; I know myself he might just as well do it one way or the other, and I would never bother about it.

Q. You never had any doubt about the accuracy of the facts stated in the letter until you saw Macorquodale's evidence in the paper? A. No.

Q. If before seeing that I had asked you these questions you would have said that letter was perfectly correct? A. I probably would, unless something else had occurred.

Q. Have you told us the reason yet why Lindsay was willing to qualify you as president? A. The only reason I knew was that they felt that if Laidlaw succeeded in preventing the organization of the bank they would naturally have trouble in collecting their commissions.

Q. I thought this all occurred after the Laidlaw matter had been got rid of? A. The getting rid of the Laidlaw matter did not complete the getting rid of trouble, as far as the organization of the bank was concerned.

Q. It did as far as he was concerned? A. Yes, but not as far as the shareholders he had stirred up.

Q. They were bought off? A. I do not know anything about that.

Q. You understood all difficulty was got rid of with Laidlaw shareholders? A. It got rid of his difficulty with his shareholders whom he had actually been in touch with, but as I understood the thing, as it was told me at the time, they had been out and stirring up trouble with all the shareholders I think out in the section of Milton.

Q. Am I right in assuming from what you said that the arrangements with Lindsay were after Laidlaw had been got rid of and the telephone message sent to Travers? A. The telephone message was sent to Travers some time during the stuff that appeared in the newspapers in reference to the dispute between Mr. Laidlaw and Mr. Travers; I cannot say now whether the telephone message was sent after Travers had completely got rid of the Laidlaw incident.

Q. Mr. Travers says so? A. I am not positive myself.

Q. He says you first appeared after the Laidlaw suit was disposed of, called him up by telephone and congratulated him? A. Well, I am not positive about that now myself.

Q. What was the reason that you can give for Lindsay qualifying you? A. I can only give you the reason that I have given you, that I understood—you see as I understood the situation then the getting rid of the Laidlaw suit did not make things plain sailing for them by any means; the stirring up of this matter had alarmed men who had promised to be directors, and in consequence of that they wanted to be sure that they would be able to carry on the completion of the organization of the bank.

Q. Who did they mention to you as directors that had been frightened off? A. I cannot say there were any directors mentioned that had been frightened off; I do not think you are justified in using that term.

Q. Well, would not act in consequence? A. As I remember now there are only two or three names I can recall. There was Ivey was one name, and the only name that I remember asking about whether he would be a director or not was Major Beattie, of London, because I knew the Major very well, and I was very pleased to see his name on the list of directors, and they said that on account of the failure of the Ontario Bank and trouble that had been made by Mr. Laidlaw's threatened action and that sort of thing, that they were having trouble in getting men who had promised them to become directors before to stand by their promise.

Q. Did you see your opportunity to become president and get your qualification provided? A. Nothing of that at all. I had unfortunately told Mr. Travers when I telephoned him that I would be glad to help him: I have always tried to help any man I said I would help, and I got started in with him, and when I got started in with him I stayed; that is all there was to it.

Q. What was your qualification to be when you agreed to be president? A. $5,000.

Q. Travers said you talked of $10,000 being the proper amount? A. That was subsequent.

Q. You arranged with Lindsay for $5,000? A. $5,000 was the arrangement I made first when I arranged to become president.

Q. What was to become of the $3,000 that Mr. Travers was to find for you? A. There was nothing said as to what was to become of the $3,000; I presume that was arranged between Travers and Lindsay.

Q. You arranged to take up $5,000 and Lindsay to qualify you: what did you tell him of Travers' offer to qualify you to the extent of $3,000? A. At the time I wrote this letter, and I was speaking to Mr. Travers, in writing the letter I said, "Now, as regards that letter, I said I had the impression from a subsequent conversation with Lindsay that he expected this $5,000 would be charged up to your expense account, and that it really would not come all out of him, and I did not want to deal in the matter, and Mr. Travers told me that was correct at the time I wrote this letter, that $5,000 was charged up to their expense account as between them.

Q. Whose expense account? A. Mr. Travers and Mr. Lindsay.

Q. What is the meaning of that "Charged up to their expense account"—do you mean the bank's expense account? A. No, it had nothing to do with the bank.

Q. They had no expense account? A. I understood from Mr. Travers that they had at this time this letter was given; I talked the matter over with him; I understood in connection with the taking of their stock subscriptions, whatever expenses they were put to, the travelling expenses and all that sort of thing, was first taken out before they made their arrangement.

Q. Out of commissions? A. Yes.

Q. And that this would be taken out of commissions? A. Yes.

Q. That would come out of them would it not? A. Yes.

Q. I do not understand this charging up the expenses if it comes out of the commissions? A. It was their expenses.

Q. It was on account of the bank's expenses was it not? A. No, nothing to do with the bank expenses.

MR. COMMISSIONER: Lindsay was giving him the money, and as between Lindsay and Travers, Travers would bear half of it; that was the effect of it.

MR. HODGINS: Was that your understanding, that Travers was to pay half of it? A. That was not my understanding at the time.

Q. Was it at the time you wrote the letter? A. Yes.

Q. Now, come back to the question I asked you before, when Lindsay had agreed to qualify you to the extent of $5,000 what did you tell Travers, what arrangement did you make with him in regard to his offer to pay up $3,000? A. I did not make any arrangement at all that I remember of.

Q. Does that stand good too? A. No, because the first arrangement that I made with Travers was that Travers was not giving me that money, he was advancing the money and I was to pay it back at my convenience.

Q. What about Lindsay, it was a regular gift was it? A. As far as Lindsay was concerned the money came to me.

Q. Was it a gift? A. It was a gift to me.

Q. That would relieve Travers? A. Yes.

Q. There was no reason why half of Lindsay's amount should be charged to Travers? A. There was no reason, no.

Q. And no communication with him before you accepted the office of President? A. No.

Q. So that on December 6th it would be perfectly right for Lindsay to pay you that direct out of his own commissions? A. Yes, as far as my arrangement with him was concerned.

Q. What did you subscribe for? A. I subscribed first for $3,000 of stock.

Q. When was that? A. During that time, I could not tell you when.

Q. During what time? A. During the time I rang up Mr. Travers and shortly before the bank was organized.

Q. If it appears dated before the 22nd October then that would be wrong—if the Laidlaw suit was got rid of on the 28th October and your subscription appears dated previous to that, it would be wrongly dated would it not? A. Yes.

Q. You say you subscribed for $3,000 first? A. Yes.

Q. And did you subscribe for any more later? A. As distinctly as I remember I subscribed first for $3,000 and then I subscribed for $5,000; that was on the arrangement to be President; and then later on, later than that, I think I subscribed for $10,000.

Q. That would be three separate subscriptions? A. Yes.

Q. $3,000 would be in accordance with the arrangement with Mr. Travers? A. Yes.

Q. The $5,000 in accordance with the Lindsay arrangement? A. Yes.

Q. And then would the $10,000 be in addition, making $18,000 altogether? A. No, that was more a consolidation as it where.

Q. If that appears on the Government Return sent in on the 21st of November it would have been made before that.

MR. DEWART: The 27th of November.

MR. HODGINS: Yes, sent in on the 27th of November, it would be before that? A. I do not know anything about the Government Return sent in on the 27th November.

Q. It appears in the Government Return sent in on the 27th of November, it would have been made before that? A. Yes.

Q. Was the $3,000 subscription made before you telephoned Mr. Travers about Laidlaw? A. No.

Q. You appear to have crowded three subscriptions into a month? A. These various arrangements were going along at the time.

Q. Did you know anything about the Laidlaw suit other than what you saw in the paper? A. Nothing except what I saw in the papers and what Mr. Travers told me.

Q. When he told you that it was over? A. After I saw him.

Q. When it was over? A. I cannot be positive whether it was over or not.

Q. At all events this interview that you had after telephoning him? A. Yes.

Q. When you did see him he explained to you, or did you display any curiosity as to what Laidlaw's suit was about? A. I do not think that I bothered much about it. I had had a little difficulty, Mr. Laidlaw and myself, before, and I was rather pleased, and that was all there was to it.

Q. Rather pleased that it was disposed of? A. No, I did not know anything about its disposition, I was rather pleased that Travers came out on top.

Q. That is what he says, that you telephoned him and rather congratulated him on the way it came out. You having agreed to accept the office of President you subscribed I suppose for the $5,000? A. Yes, that is my recollection.

Q. Previous to that you had subscribed for the $3,000? A. That is my recollection.

Q. And you I suppose took some interest in the concerns of the bank, having agreed to become its President? A. Mr. Travers showed me a letter of recommendation from Mr. Fish who had been General Manager of the Merchants Bank in Montreal, and I accepted largely Mr. Travers—of course I had met him several times and I do not think anybody will deny his social qualities, and I liked him, and his letter from Mr. Fish recommended him very highly, and I accepted any statements he made to me as being from a man qualified to speak, being from a thoroughly honest and reliable man; I knew nothing about banking myself and was busy with other enterprises at the same time, and I cannot say that I paid any very particular attention. I accepted largely what Mr. Travers informed me was the right and proper thing to do in the organization of the bank.

Q. At that time you were President of two other companies? A. Yes.

Q. Which were the two? A. The C. H. Hubbard Company and the Clerk Manufacturing Company in Gravenhurst.

Q. You had been President of both of them? A. Yes.

Q. You knew the duties of a President? A. Well I was acquainted with the duties of President as far as an ordinary company was concerned.

Q. You had actively performed the duties of President in these two companies for years? A. Yes.

Q. In accepting the Presidency of the bank I am asking you if you took any active interest in its organization? A. The organization, you see everything was practically completed before I came in at all.

Q. What was completed? A. I understood that they had at the time I accepted the Presidency, I understood they had their money ready to deposit with Ottawa, they had the necessary number of stock subscriptions, and that they were ready in every way to meet the requirements of the law.

Q. You understood they had their money ready to deposit? A. Yes.

Q. Did you understand it was deposited? A. I could not be positive just now, I understood the Government required them to have $250,000 and that they had the $250,000 and everything was ready and proper in connection with it that was necessary to be done.

Q. Did you understand that Laidlaw's action attacked the bona fides of the raising of that $250,000? A. No.

Q. Did not they tell you so? A. No.

Q. Did you know anything about the raising of the $250,000? A. I understood it was paid in by the subscribers to the stock.

Q. Did you make any inquiry? A. I inquired from Mr. Travers, and he told me this money had been paid by the subscribers to the stock; everything was perfectly legitimate and right.

Q. He told you it had been paid in by the subscribers to the stock; did he tell you the way in which that had been done? A. No, I did not question the way it would be done; there was one normal way it appeared to me to be done.

Q. What yas that? A. For the subscribers to send in their cheques.

Q. Did you examine the bank book to see? A. No.

Q. Did you ask to see the stock list? A. No.

Q. What did you do after accepting the Presidency and down to the time of the meeting which was held at which you were formally elected, what did you do to find out how things stood? A. I did not do anything to find out how things stood, except here was the statement shown to me by Mr. Travers, Mr. Travers told me "I have so much money", and he says, "Here are my list of subscribers"—he had a long list of subscribers; I did not go through that list to verify each one; I think he had about 650 subscribers, there were several hundred, it was a large number I remember; and showed me that was his list of subscribers and that he had this money.

Q. That is he went that far in demonstrating his good faith, he produced a list of subscribers? A. Yes.

Q. Was your name on it? A. I cannot say whether my name was on it or not or how that would be; this was the list of subscribers he showed me—the only list I remember was the list he showed me before I had actually completed my arrangements to become president, what he showed me was prior to my subscription as I remember now.

Q. Your subscription for how much? A. I think it was prior to any subscription I made.

Q. Prior to the $3,000 subscription? A. I think so.

Q. Naturally you would not expect to see your name on the list? A. No. I only actually agreed—I think at the final arrangement when I agreed to become president it was only a few days before the bank was organized.

Q. What do you speak of as the organization of the bank, that meeting? A. Yes.

Q. That meeting at which you were elected a director? A. Yes.

Q. You thought that was only done a few days before? A. A very few days before.

Q. Your $10,000 subscription then would follow that; would that be before the organization meeting? A. Yes, that would be before the organization meeting.

Q. Would $5,000 be before the organization meeting? A. Yes.

Q. And the $3,000? A. Yes.

Q. Would that be in that few days or would not the $3,000 be considerably earlier? A. The $3,000 would be a little earlier than that. As near as I can remember now, once I arranged, agreed with Mr. Travers to become President, that the succeeding events transpired very rapidly.

Q. You would be wrong in saying that that list which he showed you would not contain your name on it for $3,000 if you had subscribed that before you agreed to become President, it ought to have been there, should it not? A. No, that would not follow.

Q. Travers puts your acceptance of the Presidency as the middle of November? A. I cannot just say when it was myself.

Q. And he says you gave your signature so that it could be forwarded to Ottawa where they were getting the bills printed? A. Yes.

Q. You knew, of course, enough about banking to know that immediately the certificate was granted, if you had paid up capital you could issue the circulation? A. Yes.

Q. So that this signature of yours would be necessary some time in advance of that? A. Yes.

Q. Does that assist you at all in the date at which you made these arrangements? A. I remember that Mr. Travers was in difficulty about the signature of his bills, I remember that discussion that he had to have the signature go down to Ottawa by a certain date in order to have the bills printed in time for him to do business and I think he told me he had arranged with Colonel Munro to be President, and that Colonel Munro was to wire him by a certain time and if he did not wire him by that time that he could not get his bills signed and be ready; I think that was about the time I agreed to become President.

Q. Would that be about the middle of November? A. I connot tell you that. Colonel Muro wired; the day I signed the bills, Colonel Munro wired, we got a wire in the afternoon saying he would be down at night with Mr. Travers to the Rossin House. I went down with Mr. Travers to the Rossin House that evening and met Colonel Munro and we explained the situation to Colonel Munro, and Mr. Travers explained about the necessity of having the signature in time and being disappointed because he did not hear from him, and then I explained to Colonel Munro that I had accepted the Presidency in the meantime to help them out and that I was not particularly anxious for the Presidency, but if he would take the Vice-Presidency of the Bank at the end of the year I would retire from the Presidency and he could be elected President. Then after some conversation it was arranged there that he would take the Vice-Presidency, and at the end of the year I retired and he was elected President.

Q. What did Travers say about the Trusts & Guarantee Company?

MR. DEWART: I did not know my learned friend intended to go into that. Dr. Nesbitt is under several charges in the police court, and that particular Trusts & Guarantee Company deposit or questions that arise out of it form the crux of the charges against him in the Police Court. I do not want to claim privilege, but I thought perhaps my learned friend would think it would not be fair to go into matters that raise the subject of a charge against Dr. Nesbitt elsewhere.

MR. HODGINS: I do not see any reason why Dr. Nesbitt should not answer? A. I have no objection to answering.

MR. DEWART:—Except the suggestion of being fair to a man that is under charge elsewhere I have no objection to answering that question as regards anything that occurred after the organization or anything that occurred after the organization meeting. Mr. Travers stated he had told me about the loan from the Trusts & Guarantee Company the day previous to the organization. Mr. Travers' memory must be at fault, because if Mr. Travers had told me that a part of the $250,000 that he had to get his certificate had come by way of a loan from the Hon. J. R. Stratton and the Trusts & Guarantee Company, a man whom I had been politically opposed to all my life, very bitterly opposed in the Gamey case, I would not have any connection with the bank. I am quite positive he never told me a word about it before.

Q. Did you inquire where the money came from? A. I understood the money came from the subscribers in regular and legitimate way.

Q. Did you make any inquiry? A. I asked if the money came from the subscribers in a legitimate way and was told it did.

Q. You may have been told that he got a loan on subscribers notes? A. I was not told anything about getting a loan.

Q. What is that? A. I was told nothing about getting a loan.

Q. Quite sure of that? A. Yes.

Q. You say that he said he told you that the day before the organization meeting, is that what he said? A. I said he made that statement in the Police Court the other day.

Q. The day before? A. Yes, sir.

Q. Were you at the organization meeting. A. Yes.

Q. Do you remember a report being presented that the Provisional Directors' expenses were over $40,000? A. I cannot remember what was presented there now, whatever appeared in the minutes is what was done.

Q. Did you make any inquiries as to where that money came from, how they raised the money to spend that amount? A. No, I did not make any inquiry about that: any company I had ever been connected with we always had expenses of organization.

Q. Did you inquire from Travers anything about the subscribed capital? A. I just took Travers' statement for the subscribed capital.

Q. You are a business man? A. Well, some of the papers say not.

Q. What do you say; there is an opportunity to correct that now? A. I am not looking for opportunities.

Q. You were not practising your profession, you were engaged in business at this time? A. I was engaged in business at that time.

Q. You had had to make use in your companies of banking facilities? A. Yes.

Q. Did you make any inquiries as to how much capital Travers had got subscribed for this new bank before you went into it? A. Certainly I asked him how much he had subscribed.

Q. What did he tell you? A. I cannot remember now.

Q. Half a million? A. It was over half a million.

Q. Did you interest yourself to see how the half million was made up? A. I cannot say I went into details.

A. Did you make any inquiry into the details to see if they were *bona fide* subscriptions? A. I looked over the list and it appeared to be a *bona fide* list.

Q. If you had seen W. J. Lindsay down for $50,000 what would you have thought? A. I do not remember seeing W. J. Lindsay down for that.

Q. If you had, what would you have thought? A. I would have asked for an explanation.

Q. Did you make a perusal of the list? A. Yes—

Q. For the purpose of finding out things were *bona fide*? A. Of the list that he showed me; as I say, before I arranged to become a director.

Q. Did the list contain any statement as to the amount paid up on each share? A. I cannot remember now what it contained.

Q. You paid nothing of yours? A. I had not subscribed at that time.

Q. Did you make any inquiry as to whether the notes had been given by any of the subscribers? A. No.

Q. Then did you go into the Bank Presidency blindfold? A. When you have a man that you suppose is thoroughly competent to handle bank affairs and have the highest recommendations of him, and do business, you know nothing about yourself you have to go into it blindfold to a certain extent.

Q. You had a reputation at that time to take care of? A. Pretty hard to say so by the papers.

Q. Was it not of importance to you if you were connected with the bank, that the bank should be successful? A. Very important.

Q. And have you told me all the precautions you took to find out? A. I took all the precautions I thought were necessary, trusting Mr. Travers.

Q. Have you told me all the precautions you took to find out the *bona fides* of the subscriptions and whether the capital was sufficient to carry on the bank? A. When Mr. Travers showed me the list of subscriptions, I looked over them to

assure me they were *bona fide* subscriptions, and the thing that struck we particularly about the list was that they were for small amounts and distributed over a large number of shareholders, and it seemed to me, as he pointed out to me, the fact that they had got their stock so widely and well distributed would tend to bring business to the bank, and he had a deposit, I do not remember how he showed me the $250,000, but I know I was absolutely satisfied he had $250,000 of cash and—

Q. I was going to ask you if he showed you the bank book? A. I cannot remember whether he showed me a letter or what, but at the time I was satisfied he had.

Q. What do you mean by a letter? A. For instance, I might go to a banker and get a letter that I had so much money to my credit there, and I cannot just say how he showed me, but he satisfied me that he had $250.000 in cash.

Q. Did he satisfy you by the production of the bank book and are you able to say in the bank book, which would be an independent source? A. I cannot tell you how it was I was satisfied at the time.

Q. You told me the precautions you took to satisfy yourself? A. I have given you to the best of my recollection all the occurrences of several years ago.

Q. This would all occur within a few days prior to the organization meeting? A. It would be somewhere about there.

Q. You, I suppose, must realize that when you subscribed for the stock, the $5,000 and the $10.000, you were not treating the other shareholders fairly if you did not pay up your share? A. Well, my share was arranged to be paid for and the stock did not have to be paid for at the time it was subscribed; there was only a percentage to be paid for at the time.

Q. If he had all this stock subscribed, what was the object of your subscribing two or three days before the organization meeting to the extent of $10.000? A. We had arranged $5.000 first, you see, and then Mr. Travers considered that it would appear better for the president to hold $10,000 worth of stock.

Q. Had you any arrangement as to qualification on that? A. Well, as regards that I was to pay for the extra $5,000 myself.

Q. You had arranged to finance that? A. I had not arranged to finance that at that time.

Q. You would arrange to finance that? A. Yes.

Q. You were willing to take the extra $5,000 at that time? A. Yes, and pay for it myself.

Q. Travers says he told you about borrowing the money and in your talk you thought the president ought to have $10,000 stock instead of $3.000, the suggestion came from you? A. Well, of course—

Q. Is he right? A. He is not right in that respect. The suggestion came from Mr. Travers to my having $10,000.

Q. That you should have $10,000? A. Yes.

Q. Did not that make you suspicious that he had not quite got his list complete? A. Oh, no: there was no reason for that at all. As Mr. Travers put it to me, it was perfectly fair and I had the utmost confidence in Mr. Travers. I think anybody that would associate with him at that time would have. I know I met Mr. Fish personally afterwards, and Mr. Fish gave me the very highest testimonial of Mr. Travers as to his probity and in every way he could not speak more highly of Mr. Travers.

Q. After the organization meeting you knew a certificate was being applied for? A. Yes.

Q. And you knew it was got? A. Yes.

Q. And almost immediately after that you got this $5.000 from Lindsay? A. Yes.

Q. Did you take it out of his commissions? A. Yes.

Q. Did you know what he got his commissions out of? A. He got his commissions from the sale of stock.

Q. Out of the capital stock of the bank that had been put up to the Government? A. Not that I knew of.

Q. You knew that $250,000 had been paid up, as you stated? A. Yes.

Q. You knew when the certificate was granted it would come back? A. Come back to the bank.

Q. You knew the bank had not begun business? A. No.

Q. Out of what could it come except the capital stock that was paid up? A. I do not think I considered how it came. They were of course receiving moneys all the time from subscribers.

Q. That would be capital stock, would it not? A. That would be capital stock.

Q. What was the private arrangement referred to in this letter you had with Lindsay? A. That was simply the arrangement that the $5,000 of my stock, the $5,000 that I took, he would give me $5,000 out of his commissions with which I should pay for the stock.

Q. Why was it drawn out in these bills and brought in and passed to you or to Travers, whichever you like, in money instead of a cheque being given so that it would be clear what the transaction was? A. I cannot say just why it was done in that way.

Q. It is a large amount for Saturday afternoon is it not? A. I do not know just what day it was.

Q. Lindsay said it was Saturday? A. I do not know, I do not remember.

Q. Can you account at all for his bringing it in bank bills? A. I do not know as there is any way of accounting for it; it was done in that way.

Q. What did you do with it when you got it? A. My recollection is that I deposited it.

Q. What bank? A. In the Crown Bank.

Q. Then what became of it there? A. Then I gave a cheque on the Crown Bank.

Q. To whom? A. The cheque was to—I cannot remember; I tried to find the cheque and I cannot find it, I have not been able to find it; my stuff was all jumbled up and there is the difficulty, I do not know just who the cheque was made out to; I remember when I brought the cheque in to pay for the stock that Mr. C. A. Brown, Bradstreet's solicitor, was sitting with Mr. Travers talking to Mr. Travers, and I think I remarked to him that that was a cheque on my stock.

Q. Mr. whom? A. Mr. Brown; or Mr. Travers remarked to him, I have forgotten just how it was, as near as I can remember.

Q. Is that what you did with it? A. That is as near as I can remember what I did with it.

Q. What became of it after that when you handed Travers the cheque? A. The cheque went into the Farmers Bank in payment of my stock.

Q. Payable to him? A. I do not remember whether the cheque was payable to him or to the bank; whatever was the right way to make it out at the time would be the way it was made out. The cheque was in payment for my stock, and whatever was the correct way to make it out at the time, whatever was suggested to me as being correct—

MR. DEWART: I see the sixth would be on Thursday.

MR. COMMISSIONER: We have that date explained that it was not a Saturday.

MR. HODGINS: My question should have been it was unusual I suppose on any day even if it was not Saturday? A. Well.

Q. What is the object of going through that form of paying you the money and taking it to your bank and giving a cheque to Travers? A. I cannot say whether I gave a cheque to Travers or gave it to the bank.

Q. You handed it to Travers? A. Yes.
Q. Have you looked for the cheque? A. Yes.
Q. And does your Crown Bank account on that date show the payment of $5,000 shortly after that date? A. About that date.
Q. Was that the only payment you ever made on the stock? A. On the $10,000?
Q. Yes? A. No, there was another payment made.
Q. On what? A. Another payment of $5,000.
Q. Later on? A. Yes.
Q. In the first place, we will come to that later on, did you ever secure the cancellation of the three subscriptions you made? A. I cannot remember now just what happened to the previous subscriptions, as I say it was all done in a short time.
Q. You never paid anything on the $3,000? A. Mr. Travers was to arrange the payment of the $3,000.
Q. You never paid anything on that? A. No.
Q. You never paid anything on the $5,000? A. Well, the $5,000 was paid.
Q. In what way? A. In this way that I tell you; I think I made a payment somewhere, I cannot find the records now, and I certainly cannot remember the details just accurately how things occurred then.
Q. This $5,000 from Lindsay was paid up on the $10,000 subscription you say? A. It was paid on the—as I understood the thing that Mr. Travers was first taking care of the $3,000 subscription that I subscribed with him originally for as a director, and that he was going to take care of that.
Q. That is that he was going to pay it up? A. Yes, and I was to pay him back.
Q. And Lindsay was to have taken care of the $5,000? A. Yes.
Q. Was this $5,000 paid applied on it or on the $10,000? A. I could not say anything about how it was applied or what the bookkeeping was.
Q. How did you intend it to be applied? A. I intended it to be applied as payment on the $5,000.
Q. Was there ever any payment on the $10,000? A. Of course that would apply to the $10,000 as the $5,000 that I paid went on my subscriptions; the subscriptions were changed.
Q. By whom? A. I made a subscription first for $3,000 and then for $5,000, and then it was consolidated at $10,000; I cannot say that the $5,000 was payable on this $5,000 subscription, because at the time it was paid there was a subscription for $10,000, but the $5,000 was in connection with the $5,000 subscription that I had originally arranged: that was how I came to get that, how I had that amount in my mind.
Q. Did you get a receipt for the amount that you paid on this stock from the bank or from Travers? A. I got a stock receipt.
Q. Showing what, payment up of $5,000? A. I cannot tell you now what it was.
Q. You became aware I suppose that returns would have to be made at the end of the year, did not you, according to the Bank Act? A. Yes.
Q. They would start to prepare that shortly after the 6th December would not they? A. I do not know when they would start to prepare it.
Q. Did not you know? A. I saw nothing of the return until it was presented to me for signature.
Q. Is that the return up to the 31st of December.
MR. DEWART: That is the subject of a distinct charge and I must urge that my learned friend in fairness should not go into that when the Doctor has to stand his trial upon it in the Fall. I had thought that was the position he intended to take.

MR. HODGINS: I may say frankly I cannot undertake to limit Dr. Nesbitt's examination because he happens to be under a charge: if he is to be any use to the inquiry at all I suppose he has to answer the questions asked.

MR. DEWART: The matters regarding which he is charged are quite specific in their character; they relate as my learned friend well knows, to the monthly bank returns made on the 31st December, 1906, and the return made at the end of January and February, 1907, and also there is the fourth charge relating to what has been termed a special return in May. With reference to the circumstances relating to these, which my learned friend is now going into, when Dr. Nesbitt has been committed for trial and has to stand his trial upon those charges in the Fall, I do submit it would be manifestly unfair to ask the Doctor now to make a statement with reference to those matters, and I ask your Lordship to rule that so far as this Inquiry is concerned my learned friend should not deal with those matters.

MR. COMMISSIONER: I cannot rule that; the inquiry is entirely open. It is for Mr. Hodgins to say. I do not myself see how they are very relevant to this inquiry. I am not trying anybody for making false returns. My duty is specific.

MR. DEWART: I had conceived that the question of whether Dr. Nesbitt did or did not knowingly and wilfully make false returns did not particularly concern this inquiry. What was done at the time of the organization I can well understand is the general subject of inquiry; but the question as to whether a certain return made was to his knowledge false or not, I do say, and I ask my learned friend in all fairness under the circumstances in which Dr. Nesbitt is placed, that he should not go into that branch.

MR. HODGINS: It places me in rather a farcical position that the inquiry should be closed without Dr. Nesbitt's evidence.

MR. COMMISSIONER: How does this inquiry as to whether he knew the return was false, or whether he did not become relevant to my inquiry as to the circumstances attending the issue of the certificate and the causes of the failure of the bank?

MR. HODGINS: I am not desirous of pressing it if you, Mr. Commissioner, think it is not necessary for your inquiry.

MR. COMMISSIONER: I would like to hear how you think it is relevant.

MR. HODGINS: I should have thought, and I do think that the actions of Dr. Nesbitt, Travers and others in connection with the obtaining of the certificate is a matter to be inquired into.

MR. COMMISSIONER: Undoubtedly, nobody has suggested anything to the contrary.

MR. HODGINS: Then my learned friend's objection is premature.

MR. DEWART: No, because you asked with reference to the return on the 31st December.

MR. COMMISSIONER: That is subsequent to the certificate.

MR. HODGINS: Yes; I had not asked him anything about the details of that.

MR. DEWART: The reporter has the question on the notes.

MR. HODGINS: However, if you think it should be limited to the question regarding the certificate, that will suit my purpose altogether.

MR. COMMISSIONER: I would like to hear some suggestion from you as to how it tends to show how the bank came to grief, the causes of failure—has that anything to do with it at all?

MR. HODGINS: The Commission as I recall it, reads that inquiry is to be made into the circumstances of the granting of the certificate.

MR. COMMISSIONER: Do not let us get mixed; the granting of the certificate is wide open, and then after you pass that it is the question of the relevant facts, bearing upon the causes of the failure of the bank.

MR. HODGINS: I had not asked that granting of the certificate; my question was entirely germane to that, and was intended to be so, and if it appears to be dealing with the later return then we may get over this difficulty without further

discussion by my putting the question in such form as it will not be objectionable to my learned friend, but I do not at all concede his right to object to the inquiry embracing the whole matter. Perhaps Mr. Nield would read the last few questions. (The four questions immediately preceding Mr. Dewart's objection were read).

MR. HODGINS: My purpose of asking that question with regard to the return was to elicit the information as to whether prior to the making of that return you had directed your attention at all to the details which would have to be included in it? A. No, I had not.

Q. Before the certificate was issued at all, were you aware that Travers was making application for it? A. After the organization meeting, I knew that Mr. Travers was going down to Ottawa for the purpose of making application for the certificate.

Q. The organization meeting directed an application to be made, did not it, by Travers? A. I cannot remember; what was agreed is in the minutes.

Q. You were of course as much interested as anybody? A. I was certainly desirous of getting the certificate for the bank.

Q. Were you in and out of the bank after the organization and up to the time Travers left for Ottawa? A. I cannot say now.

Q. Do you know Fitzgibbon? A. I know Fitzgibbon, yes.

Q. Did you remember when he was employed? A. No.

Q. When you came in contact with him? A. The first I met Fitzgibbon, I think as near as I can remember, Mr. Travers introduced him the morning we had the meeting for the organization of the bank.

Q. You remember a letter from the Department before the certificate was granted dealing with the information they wanted? A. I do not remember it.

Q. Do you remember the Department before you went down asking for details with regard to the amount of cash paid up by the subscribers? A. No.

Q. There is the letter, November 21st, that would be a few days before the organization meeting, addressed to Travers, asking if Travers would be so good as to have added to the list, that is the list of bona fide subscribers, a statement showing the actual amount of cash paid up by each subscriber; did that letter come to your attention? A. No.

Q. Sure? A. I do not remember anything of that, at all: I think it would appeal reasonably to anybody that at that time nothing of a disturbing nature would be brought to my attention.

Q. This was a matter you had inquired into? A. I know nothing about that. From the character of the letter there was apparently some extra information wanted; I should not imagine at that time I would hear anything about it and I do not remember hearing about that.

Q. Is that as far as you can go? A. That is as far as I can go now.

Q. Taking the 21st November, that was five days before the organization meeting, would your subscription for the $10,000 have been made then? A. I could not tell you now.

Q. You said it all came in a rush in the last few days? A. I cannot tell you positively.

Q. Travers had suggested to you that they were a bit short and needed additional subscriptions? A. You say so; I do not remember anything of that kind.

Q. You say you did not hear of this letter November 21st? A. No, I do not remember anything of it.

Q. Travers did not ever mention it to you or show it to you? A. I do not remember anything of it.

Q. Were you aware that Hunter was consulted before Travers left for Ottawa to get the certificate? A. I do not remember anything of that; as near as I can remember now, the organization meeting was over, it lasted some time, and when we got through the election of directors, just a few minutes after that I left

the bank and I cannot remember now what occurred after that. It is a human impossibility for anybody to remember these details at this late date. Any man that says he remembers accurately is stating a falsehood.

Q. Evidently this letter had been received about the 21st or 22nd November, which would be several days before the meeting, and according to Travers' story he and Fitzgibbon and you and I think it was Hunter took up the business of getting the list ready? A. I had nothing to do with getting the list ready; I did not have to sign any statement in regard to it; there was no duty I had to perform in connection with it.

Q. Will you say you were not aware that the list was being prepared for the purpose of getting the certificate? A. It is an impossibility for me to tell what was being done, or that anything was being done about business in connection with the bank; I was not acquainted with it at all, and there might be things being done that would not impress themselves upon me as being for any particular purpose or anything. I know I had nothing to sign nor nothing to do in connection with the first returns that were sent to Ottawa.

Q. I am not speaking of the returns, I am speaking of this subscribers' list? A. That was in connection with the organization meeting.

Q. That was in connection with the application for the certificate? A. I do not know what—

Q. I am putting this to you; here is a letter from the Department, saying that in addition to the list of the bona fide subscribers— A. I do not know anything about that.

Q. Just let me ask my question; here is the letter which comes to Travers asking for the amounts paid up in addition to the list of subscribers; that arrived three or four days before the organization meeting; were not you aware that that list was being prepared for the purpose of getting the certificate, whether you knew the details or not? A. I cannot say I saw it.

Q. Travers says you were, can you contradict him? A. Travers says what?

Q. That you knew about the preparation of the list? A. I did not know about the preparation f the list.

Q. You did not know it was being prepared? A. I did not know—I understood there was a list of subscribers that would go down to Ottawa, that was part of the organization; when he would apply for the certificate they would send in their list of subscribers.

Q. How did you know that? A. I think that is stated in the Bank Act.

Q. Had you read that up? A. I had read the Bank Act.

Q. You read it up? A. I cannot say I read it all, but I glanced at it.

Q. You knew a list had to go in of the bona fide subscribers? A. There was a list of the subscribers had to go in.

Q. You would naturally know if they were preparing it two or three days before? A. No, I had nothing to do with it.

Q. If you were taking any interest at all in the bank you would know it was being prepared? A. I did not know what they were doing; I had no active connection, knew nothing about the business affairs of the bank, had nothing to do with the business affairs of the bank until after the organization meeting; I had no right to know.

Q. You knew anyway the list would have to go down to Ottawa of the subscribers? A. I knew generally there was a list of subscribers would have to go to Ottawa.

Q. You knew you had subscribed? A. Yes.

Q. Did you make any inquiry as to whether your subscription was being put in that list or not? A. I did not.

Q. Did you see any list before they left for Ottawa? A. I cannot say I did.

Q. Were you consulted as to the preparation of any list? A. I was not.

Q. Were you ever at a meeting where Travers, Hunter and Fitzgibbon were together in the bank discussing a list before the issue of the certificate? A. I do not remember being at a meeting where Travers, Hunter and Fitzgibbon were together at the bank discussing this list before it was sent in.

Q. Were you at a meeting in which any two of those were present discussing the list? A. I cannot say I remember anything of it.

Q. Did you discuss the list with Travers? A. I am positive I did not discuss the list with Mr. Travers.

Q. Did you discuss it with Hunter? A. I did not discuss it with Hunter.

Q. Did you discuss it with Fitzgibbon? A. I did not discuss it with Fitzgibbon.

Q. Were you present in the room when Hunter came in and explained to Fitzgibbon how the list was being made up with regard to cash payments? A. I cannot remember being in the room under the circumstances you describe.

Q. Hunter's explanation is that he told Fitzgibbon that if Travers borrowed upon notes, borrowed personally, and chose to pay up on any of the subscription he could do so; did you hear that explanation given? A. No, I did not.

Q. You remember Travers going I suppose to Ottawa to get the certificate? A. I remember him going down to Ottawa to get the certificate.

Q. Do you remember being in the office of the bank the following day? A. I do not remember being there, but it is possible I was there the following day, reasonably possible I would be there.

Q. Fitzgibbon wrote a letter to Travers dated the 29th of November; perhaps you will look at the letter and I will ask you about the postcript to it. (Handing letter Exhibit 55 to Dr. Nesbitt). Did Fitzgibbon give you the gist of Hunter's report as indicated in this letter? A. I do not know what Mr. Fitzgibbon gave me; I inquired from Mr. Fitzgibbon how they were getting along and Mr. Hunter said they were getting along all right, and everything was in good shape; that is all I know about it.

Q. Fitzgibbon says Hunter went over all the applications and "informed me that they are in first class shape, and he would have no hesitation in exhibiting them if called for". The postcript is, "Dr. Nesbitt has just called to inquire how things were going, and I have given him the gist of Mr. Hunter's report this morning"? A. That would be simply that everything was in first class shape: there were no particulars given to me that I can remember of.

Q. No particulars that Hunter had gone over the applications and they were all in first class shape? A. No, that would not be necessary.

Q. That things were going in first class shape? A. That things were going all right.

Q. Did you take an interest in the bank affairs after the organization meeting? A. Well, what a President ordinarily takes.

Q. That is from your point of view? A. I think my point of view is the same as the rest of them: you do not bother anything about the details; you take your General Manager's presentation of the facts to you, you accept them as facts. I cannot conceive of how a President can go into the affairs of the bank at all, and if you have a General Manager you either have to trust him or do not trust him.

Q. That is a general question: Travers made a very long declaration in this matter on the 27th November, that is the day following the organization meeting; were you consulted at all about that? A. Not that I remember of.

Q. And he left that night for Ottawa; had you no conversation immediately prior to or subsequent to the organization meeting about the matters he laid before the Government to get the certificate? A. There was no particular detailed conversation: it did not seem to me there was any necessary. Mr. Travers told me he had everything in good banking shape to get the certificate, and was going down to get it, and that it all there was.

Q. It appears to have disturbed him considerably, this request from the Government on the 21st November, and caused a considerable amount of trouble in making the list to fit what he thought would be satisfactory to the Government. In your position you knew nothing about that, and were not told about it? A. I knew nothing about it.

Q. And never saw any evidences in the bank that there was something brewing? A. Nothing that I could recognize as wrong.

Q. The question I intended to ask, I may as well ask it, you need not answer it in the meantime, we will see how far it is relevant or not: the question I want to ask you is, having regard to the bank that a return had to be made on the 31st December, and the details of it necessarily comprised a good deal that went down in that statement, my question would be whether you investigated then what had gone down to the Government in November.

MR. DEWART: Does your Lordship think that should be answered?

MR. COMMISSIONER: He can ask if he investigated then; I do not know that it is very important. A great many of the questions are not important in my view, but he can ask it.

MR. HODGINS: Well, Dr. Nesbitt? A. As the Government had issued the certificate I considered that everything was in proper shape. I took the fact that the Government had issued the certificate, that they knew more about banking business, what was required for the certificate than I did; I took the fact that they issued the certificate as a guarantee that all our affairs were in perfect shape and perfect order and I took Mr. Travers' statement as a man I trusted as general manager, had respect and confidence in, and when he presented his statements to me I accepted them as he presented them to me; I asked him if those statements were correct and he said yes.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., June 27th, 1912.

MR. HODGINS: Dr. Nesbitt has not arrived yet and Mr. Calvert is here, and if you have no objection I will take his evidence.

MR. COMMISSIONER: Very well.

WILLIAM S. CALVERT, Recalled—

MR. HODGINS: You communicated with me through Duncan Ross and said you desired to make a statement? A. Yes. What I wanted to make a statement in regard to was an article that appeared in one of the Toronto papers in reference to a $3,000 cheque that apparently has not been fully described or accounted for, and this is the article that appeared and I felt it was my duty on behalf of myself and others to come before your Lordship and to explain my position so far as as this is concerned. The article reads as follows: "Some person or persons at Ottawa received at least $3,000 for assisting to pave the way for the granting of the certificate to the Farmers Bank. This was interjected by W. R. Travers during the course of a dialogue yesterday afternoon at the Farmers Bank Inquiry when the former manager was squeezed into a very tight corner by Frank Hodgins, K.C., and before he could extricate himself some surprising admissions had been made in reference to the three"—I presume it is blank cheques, it says "Bank cheques" which were sent to Ottawa by solicitor Hunter. Travers refused absolutely to tell who got the money, said he would sooner return to jail for twice his time. The

World understands that the money was paid to a prominent politician, formerly a merchant, who is not now a Member of the House of Commons", and then it went on: "Now when you were down in Ottawa you had three interviews with the Finance Minister", began Mr. Hodgins, "You have only told us of one. You were introduced by Mr. Calvert, were you not? A. Yes. Travers said he did not know Calvert personally; he had a letter from Mr. Urquhart to him. Mr. Urquhart said that Calvert was very influential". That is an extract from the Toronto World, dated May 16th, 1912; and in consequence of that article, your Lordship, some people, on account of my having introduced Mr. Travers to the Finance Minister, seem to think that that refers to myself. Now, I wish, Mr. Commissioner, to say that I know nothing whatever. I never received a cheque from Mr. Travers or from the Farmers Bank other than the money I borrowed as I stated to you some time ago, which was fully paid with interest. As far as this cheque is concerned I never received it either on behalf of myself or any person else, or any other cheque. I think that is about all I wish to say in regard to the matter, simply to clear myself in the matter, so that if any person outside might say anything further in regard to the matter I want to have it distinctly understood that I had nothing to do with it.

Mr. Hodgins: When I examined you before in Ottawa, you told me that you did not know Travers at all until you met him in the Russell House, when he had a letter of introduction from Mr. Thomas Urquhart? A. That is when I first met Mr. Travers.

Q. Is that strictly accurate? A. Yes, so far as my knowledge goes; I never remember of meeting Mr. Travers before.

Q. But you had corresponded with him? A. Not to my knowledge. I see by Mr. Travers' evidence that appeared in the press that he said he had correspondence with me; I have no recollection of any correspondence. If it was brought to my attention I suppose I would remember it. I have no recollection of any correspondence previous to this time.

Q. Will you look at that letter of yours and tell me what year that refers to? A. That was after the charter was granted.

Q. When was it? A. I presume that would be possibly just when the bills would be issued; it would be 1906 when the charter was granted.

Q. The charter granted? A. Or the certificate issued.

Q. That is dated in June, is it not? A. Yes.

Q. That would be before or after the certificate was granted? A. I do not recollect exactly the date when the certificate was issued.

Q. In November, 1906? A. Well, then, this must have been the following year after the certificate was issued.

Q. You, however, had been asked to be a director during 1906, and had been interesting yourself in regard to getting shares taken up? A. No, not at all.

Q. Do you know Mr. Arthur F. Leggatt, of Ottawa? A. I know one Mr. Leggatt, and I presume his name is Arthur, I am not sure.

Q. Look at this letter and see what he says, and tell me if he is right? A. Well, Mr. Leggatt could write that to Mr. Travers as far as that is concerned, but I had nothing to do with the bank or the shares of the bank. I was asked, as I stated before by Mr. Lindsay over the telephone, if I would become a director. I told Mr. Lindsay I had no money to invest in the Farmers Bank stock, but it was placed on, my name was put on, and I afterwards either by wire or letter, I have forgotten which, advised the manager to have my name taken off.

Q. Mr. Leggatt's statement is "I have met Mr. Calvert one of your directors, and wish to have a talk with him regarding the matter"? A. Yes, that may be; he may have met me.

Q. He met you and how could he describe you as a director? A. What date is that letter?

Q. The 29th March, 1906? A. The certificate was not issued until November, 1906; I have no recollection of anything, I knew nothing about it; I took no interest in it whatever, except I introduced the Bill in the House for renewal at the request of Mr. Urquhart. As Mr. Fielding has stated they asked for a year, and we gave them six months at the request of the Finance Minister. Before the six months was up I presume Mr. Travers came down with a letter of introduction from Mr. Urquhart to me.

Q. I am speaking of this particular letter? A. I had nothing to do with the Farmers Bank with selling stock or anything of the kind. Mr. Lindsay may have spoken to me about it, no doubt he did, as he spoke to many people .

Q. Did you see anybody down there in connection with the sale of shares? A. I saw no one I have any recollection of.

Q. Did you describe yourself to Mr. Leggatt as a director or prospective director? A. I did not.

Q. Did you discuss with him the sale of stock? A. I have no recollection of ever speaking to Mr. Leggatt about it at all; he may have spoken to me; I know nothing of it.

Q. Would that telegram come from you and what did it relate to? A. Probably Mr. Lindsay asked me to speak to some person in his behalf or something of that kind, as many a man did ask me to do certain things.

Q. About what? A. It may have been in regard to the Farmers Bank, I do not know.

Q. The date of that is what? A. March, 1906.

Q. This letter of Leggatt's is a few days after that? A. Yes.

Q. Would I be wrong in drawing the conclusion that you interested yourself at Lindsay's request for the purpose of getting the stock taken up? A. I cannot recollect of doing anything in connection with stock; he may have asked me to speak to some person, but if I did, there was nothing wrong about it.

EXHIBIT 85: Telegram March 17th, 1906, from W. S. Calvert to W. J. Lindsay.

Q. Speaking again about this letter dated the 27th June, which has no year mark on it, Mr. Travers says that is 1906? A. Why would they issue bills, because before they got a certificate they would have to have them printed and issued; they have the right to issue them as soon as the certificate was granted and they would get them engraved and prepared beforehand? A. Possibly.

Q. Do you still say now, do you leave it that way, that this letter is the year after, that is 1907? A. I do not recollect whether it is 1907 or 1906, but I would presume that before bills would be issued the certificate certainly would have to be issued by the Government before they can do business.

EXHIBIT 86: Letter dated June 27th, from W. S. Calvert to W. R. Travers.

Q. Is it the case you did not meet Mr. Travers personally? A. I have not the slightest recollection of meeting Mr. Travers until he brought that letter to me; if I did it was in the most casual way; there would be no remembrance whatever, and if I did there would be no reason for bringing a letter.

Q. Were you quite correct in your former evidence that you had no money dealings with Travers until three years afterwards? A. I had no money dealings with Mr. Travers until three years afterwards.

Q. We have a document here and some correspondence about which Travers was examined regarding a guarantee that you had given? A. That was not for myself.

Q. It arose early in 1907, and you gave a guarantee to the Farmers Bank? A. Yes.

Q. You did not mention that when I asked you if you had any money dealings with Travers afterwards and you said about three years afterwards? A. It was three years afterwards that I had any money dealings direct with the bank myself; I had forgotten in regard to that until I saw Mr. Travers' statement and I

could not remember anything about it and it was said to be about the Rabbit Mountain, and I immediately wrote to Mr. Snider, and I have his letter here in which he states: "Your favour of the 20th received"—

Q. Who is Mr. Snider? A. William Snider of Waterloo; it referred in the paper to William Snider having paid a note that I had guaranteed: that appeared in the London Free Press, and I had no recollection of that at all; so I wrote to Mr. Snider, and Mr. Snider said, "The note he refers to as having been paid by me was signed by two others and myself. Your name was not on, and I cannot remember that you and I ever had any business transaction whatever with the Farmers Bank."

Q. The guarantee was given in the beginning of the 1907 by you to the bank? A. For whom?

Q. I do not know who it was for; Hamilton was connected with it? A. My impression is that was in connection with the Canadian Oil Company.

Q. I do not care what it was in connection with; I am only speaking what Mr. Travers said; he said you gave the bank that guarantee and they advanced the money to Bull and Hamilton? A. I had forgotten entirely about that, because I had no money transactions myself, and I presume that that was in connection with the Canadian Oil Company, as I was President of the Company.

Q. You recollect it now? A. I think that is likely correct enough, but that was a purely business transaction, and the money was paid back.

Q. Did you introduce the matter to the bank? A. My recollection is now I went into the bank with the manager of the Canadian Oil Company, and I fancy that I guaranteed to a certain extent, and the money was all paid back with interest.

Q. That went on for two or three years with interest? A. I do not know how long I am sure; I cannot tell you how long: I know I was not called upon to make good anyway.

Q. In your answer to me you gave the other impression? A. I had entirely forgotten about that, and I spoke to Mr. Travers about it this morning, because I have no recollection of it, because I was not getting the money myself, I had no dealings in that way; the only money I got was the money I stated.

Q. The guarantee was a matter in which you were interested? A. I presume I was interested as President of the company and required some money.

Q. You say you got no cheque of $3,000? A. No.

Q. That was the amount that apparently you say you got in July, 1909? A. That was the amount.

Q. You got no cheque from Travers and no money to that extent nor any part of it? A. No.

Q. Do you know any one that did? A. I do not; I have not the slightest idea of any person having got a dollar.

Q. Did Travers speak to you about any payments he had to make? A. No, sir, he did not. The word commission was never mentioned between Mr. Travers and I in any shape or form.

J. SEYMOUR CORLEY, Sworn, Examined by—

MR. HODGINS: You are the City Crown Attorney? A. Yes.

Q. You have had to do with the prosecutions of some of those interested or concerned in the Farmers Bank? A. Yes.

Q. I have just asked you to come because we are endeavouring to get trace of some papers that do not appear among the papers now, and some people think they were among them when the seizure was made; tell us how would they come into your possession? A. I saw them in the possession of the Police.

Q. All the papers? A. Yes, and of course I went through them, a great many of them; I did not go through them all.

Q. Are they turned over to you officially? A. No, I have access to them.

Q. Has any one else access to them outside of yourself? A. Not to my knowledge, and no one should while they are before the Court in which I act.

Q. The seizure was made of the Farmers Bank papers by the detectives, I think before any charges were laid, they would be in their hands up to that time; when would they come under your jurisdiction? A. They do not come under me at all: they are in the hands of the Police; such as have to become exhibits in the Court are marked as Exhibits of the Court and should be the property of the Clerk of the Court until handed over to the Clerk of the Peace.

Q. They do not go back to you? A. No, I do not have them at all; I merely have access to them; I have no files and no assistant for the purpose of taking care of them.

Q. They are in the custody of the police, and you have access to them, and you file what you want in Court and the rest go back into the hands of the Police? A. Yes.

Q. Can you throw any light on where the two documents were we have been after; one was a cheque and the other was a letter? A. I have not heard about a cheque.

Q. A $3,000 cheque? A. No, I have heard about the cheque, but I know nothing of its subsequent history.

Q. You do not remember seeing it? A. At this moment I cannot remember seeing it, although I have a picture in my eye of it, but I cannot recall how I got that.

Q. Was it used in any of the prosecutions that you know of? A. I cannot recall that. I was days and days on it and I cannot recall whether it was or not. I can see no reason why the cheque marked "C" which I suppose is the one you refer to, I have no recollection of having made an Exhibit of that in the Police Court, although it might have been.

Q. What about Colonel Matheson's letter? A. I remember distinctly an impression copy of a letter at the bottom of which was the words "General Manager" leaving room for the signature; I remember seeing that letter.

Q. That has been put in? A. I remember that of my own recollection addressed to Colonel Matheson.

Q. That is in, and Mr. Travers says his recollection is he got a reply to that and he has not found that? A. Of my personal recollection without the suggestions of other people I cannot say anything as to that.

Q. After the prosecutions leave your Court they either go to the High Court or to the County Judge's Criminal Court; who gets the papers? A. I cannot say. If they are Exhibits I suppose they go to the Clerk of the Peace; if they are papers used for instructions to counsel and that sort of thing I suppose they go to the Crown Attorney for the County or whatever Crown counsel may be acting.

Q. Technically they are in the possession of whom? A. If not exhibits technically in the possession of the police; and very often exhibits are left with the police afterwards, except some papers, almost all exhibits, for instance weapons used or evidences of crimes, except mere papers, are left with the police until the trial comes on.

Q. If the trial took place in the County Judge's Criminal Court would Burns be the constable? A. Burns would be the man that has charge of it, as a sort of clerk to the Crown Attorney.

Q. They would go over to the County Crown Attorney? A. Yes.

Q. If it is in the Assizes? A. The County Crown Attorney should have charge of them, of course, assisting the Crown Prosecutor. Many people had access to these; there were several different Crown prosecutors and the Crown Attorney of course is dead.

Q. You cannot throw any more light on it? A. No, I cannot help you at all; I have thought several days over it and I cannot help you at all.

DR. WILLIAM BEATTIE NESBITT, Examination continued:

MR. H. H. DEWART, K.C., representing Dr. Nesbitt was not present, but came in later.

MR. HODGINS: Had you anything to do with introducing Travers to the Trusts & Guarantee Company, to Mr. Warren? A. I know nothing about that.

Q. I should judge that, but I am asking the question? A. Absolutely none.

Q. Just one or two things I want to call your attention to in Travers' evidence; I want to see what you have to say about them: in the first place where was the bank when you first became connected with it, in what building was it, the Stair Building? A. The Stair Building.

Q. Did Travers tell you the manner in which the Laidlaw cases were settled and the fact that the names were left on the list? A. No, I cannot say that I remember him telling me anything about that.

Q. Did Lindsay tell you? A. No, I do not remember being told any particulars about it.

Q. Mr. Travers states that he and you discussed the letter from the Deputy Minister of Finance dated the 21st November, 1906; that he was so flurried that he showed the letter to you and told you he was up against it, and you said to send for Bill Hunter? A. I do not remember anything of that at all.

Q. Mr. Travers says you were present when Hunter made the suggestion which was followed in the preparation of that list, and that you took part at the end when you suggested names? A. It is not correct; I suggested no names; I do not remember being at an interview or that Hunter made any suggestion in regard to that list. You are referring now to the list in connection with the first organization meeting?

Q. Yes? A. I do not remember being present at any such meeting at all.

Q. Did Travers tell you there were many subscribers coming to the meeting to make trouble, and it would be necessary for you to explain everything, and you said, "Leave that to me, I am used to handling crowds"? A. I cannot remember what I said to him. Travers told me he expected, on account of the difficulty raised by Mr. Laidlaw, that there would be some of the shareholders from, I think it was around Milton, there, that might be troublesome at the meeting, and I cannot remember him giving me any special directions about what would occur.

Q. Did you find out what was the trouble in the Laidlaw suit so that you would be able to explain to these shareholders? A. No, there was no necessity for me knowing about trouble with the Laidlaw suit: I was not interested in the trouble: the matter had been settled and I had no particulars of it, and I do not know what the details of it were. I understood from Mr. Travers it was merely that Mr. Laidlaw had got hold of some shareholders in that district and was trying to promote a suit against the bank, expecting to prevent the organization of the bank, and make money out of the liquidation of the concern, as it were, and that it was a purely malicious suit. I am saying what Mr. Travers told me at the time.

Q. Beyond these broad and general outlines you did not get any details, apparently? A. No, I got no details.

Q. You were there to take charge of the meeting, that was quite clear? A. I was to be chairman of the meeting.

Q. And on you would fall the necessity of explaining or answering any questions? A. Anything that occurred, yes. Of course, Mr. Travers was present at the meeting, and my position simply was if questions were asked that I was not capable of explaining myself that I would refer to him.

Q. Was there any pre-arrangement about that? A. Certainly.

Q. That you should do the answering? A. When I arranged with Mr. Travers that I would take charge of the meeting I said, "If things come up that I do not understand I will refer to you in regard to them and you can explain them".

Q. When Travers returned with the certificate did he tell you the difficulties he had had? A. Mr. Travers told me he had had some trouble in getting the certificate because I was a prominent Tory partisan and president of the bank.

Q. Did Mr. Travers tell you any other difficulties he had? A. No.

Q. You did not believe the statement he made to you that that was the difficulty he had down there? A. I did not know but what it might be so to a certain extent.

Q. Did he tell you that Mr. Fielding had looked over the list of subscribers? A. No.

Q. Did he show you the letter from Mr. Fielding to him and his reply? A. I do not remember him showing me the letter from Mr. Fielding.

Q. He says he showed them to you? A. He may have thought he did.

Q. Showed the letter and explained the difficulty and you said he was rather clever? A. No, I do not remember anything of that at all.

Q. You thought his reply to Mr. Fielding's letter was rather clever? A. I do not remember anything of that at all.

Q. Do you remember Mr. Knight's visit in December? A. I remember meeting Mr. Knight once in the bank and Mr. Travers present.

Q. He came there thinking that there was something wrong with the paid-up capital, did not he? A. Not that I know of.

Q. Did not he say anything to you? A. I do not remember any discussion about the paid-up capital; I understood he was there in connection with the circulation; that was the only thing he had to do with.

Q. Circulation had not issued then? A. No, but the circulation would come to us before it was issued.

Q. It was based upon the paid-up capital? A. Yes.

Q. The only possible question that could arise would be whether you had the paid-up capital? A. I do not remember the particulars of the thing at all.

Q. He says he was very badly treated there? A. Who said?

Q. Knight? A. By whom?

Q. By, I think he said Travers? A. Certainly was not badly treated by me.

Q. He was abused? A. I know the time I met Mr. Knight at the bank I treated Mr. Knight just as I would treat anybody else, gave him a good cigar, and told him two or three stories and had a little pleasant chat with him and went out.

Q. That was all? A. Yes.

Q. Mr. Travers says you gave him a raking over? A. Well, I did not; I would not do that to a man in his position.

Q. Did you hear any raking over by anybody? A. Not that I remember of now.

Q. Again Mr. Travers would be wrong; he certainly came away with a very poor impression of the treatment he had got; did he ask to see the books? A. I do not remember.

Q. Did he say he wanted to find out if your capital was intact, so that he might judge of the right to issue circulation? A. I do not remember what the conversation was with Mr. Knight; as I say I treated him pleasantly as far as I was concerned, and there may have been some discussion between him and Mr. Travers on the side as to his rights and duties, but I do not remember anything of it, and as far as I am concerned I have not the slightest recollection of Mr. Knight being treated any way but courteously and pleasantly.

Q. He got a pretty good dressing down, as Mr. Travers expressed it? A. It was not by me.

Q. When did you learn about the loan in the Trusts & Guarantee Company having been paid off? A. I never learned about the loan from the Trusts & Guarantee Company having been paid off.

Q. Did not this visit of Knight's result in a visit to the Trusts & Guarantee Company by Travers and the reversal of the entries down there? A. I knew nothing about that.

Q. Did you know anything about it, did Travers never tell you? A. No.

Q. Never discussed it at all then or before Knight's visit or during or after it? A. Neither before, during or after Knight's visit did Travers discuss that with me.

Q. You and Travers did not laugh about it after Knight had left? A. I think that is another hallucination.

Q. You made some effort, did you not, to obtain deposits from the present Provincial Government? A. Mr. Dewart is not here: Mr. Dewart was to make a reference in connection with that for me.

Q. I will take up some other matter until he comes. During your career as president, how much moneys were paid to you out of the bank's funds that are still unpaid? A. Paid me out of the bank's funds?

Q. Yes? A. Make your question explicit.

Q. I am speaking of the companies you were concerned in, how much money did you get direct which has not been repaid? A. How do you mean, that I had the money presented to me?

Q. Anyway you like? A. In a regular business transaction; I never got a dollar from the Farmers Bank that was not a regular and legitimate transaction as far as I was concerned.

Q. Can you give us any idea of the amount of loss to the bank through the transaction? A. There was no loss to the bank through my transactions; my transactions were squared. Mr. Travers put pressure upon me and made me give up my Keeley Mine stock.

Q. They were all squared up then? A. Yes.

Q. That was when he gave up the liability of the Hubbard Company and the Clark Company to the bank? A. All liability was given up at that time.

Q. Including those two? A. Yes.

Q. You gave him what? A. I gave him my Keeley Mine stock.

Q. Did you get any money then? A. I think when the thing was squared up there was a balance of $375 coming to me out of the transaction cash.

Q. My recollection is there was a sum of $5,000? A. When Mr. Wishart —he had brought some gentlemen over from England here, and arranged with them to float or place the treasury stock of the Keeley Mine in London; at that time Mr. Travers wanted to get the underwriting for the bank of the $500,000 of Keeley stock that was to be placed in London: he wanted to get that underwriting for the bank at 70—the bank to underwrite the stock and take the stock at 70, and then Mr. Wishart to go to London and place it with his people. The figure that was to go to Wishart gave the bank a very handsome profit on the transaction. It was considered that Mr. Wishart was thoroughly reliable, as far as his ability to place the stock in London at that time, and the gentlemen he had brought over from London, introduced to Mr. Travers and myself in connection with the Keeley Mine, were thoroughly reputable and reliable financially in every way, and Mr. Travers, in order to get, as he said, a handsome profit for the bank on the underwriting, wanted Wishart to agree that the bank should have this underwriting at 70, and Travers and Wishart had various difficulties during the course of things. So then Mr. Travers came to me with a proposition that if I would get Wishart to consent to the underwriting, he would give me $5,000, because the bank would be making a big profit, and Wishart would be making a big profit too on top of that, and that was arranged, and I got Mr. Wishart to consent to the underwriting, and the underwriting was put through, and the bank underwrote the $500,000 at 70 and gave the mine the credit for $350,000 as the proceeds of that undertaking. Mr. Wishart then went to London with the underwriting to

place it, and after he was there he wanted to make some change. I have forgotten now the particulars in the way in which the stock was to be placed there, and he wrote or cabled over in connection with it, and Mr. Travers asked me to join in a cable with him cancelling Wishart's option on the stock for England. When the Keeley Mine was first organized, my stock that I got as commission—I had the option—the stock I got as commission I assigned to the bank as collateral to my account.

Q. We are getting a little away from the question I asked you? A. You asked me about that $5,000.

Q. Whether that was in connection with your handing over your stock in the Keeley Mine and the bank giving up the liabilities of the companies you are concerned with and your own liability; you said there was only $375 which you got; I asked you if it was $5,000? A. No, I got that $5,000 for getting Wishart to agree to the underwriting of the Keeley Mine at 70.

Q. Was it not paid at the time that the stock was turned over? A. It was charged against me at the time the stock was turned over.

Q. I am asking you when you turned over that stock you did not get $5,000 in cash at that time? A. I did not.

Q. How was it charged against you? A. It was charged against me in this way: Mr. Travers, said, "I gave you that $5,000 for getting Wishart to agree to the Keeley underwriting"; then he said, "We cancelled the underwriting and the underwriting did not go through, and now as we are settling up I prefer for you to allow me to charge that up to you, so that I won't have to show it as a loss in the bank on account of the underwriting".

Q. You agreed to that? A. Yes.

Q. You say you paid with your stock in the Keeley Mine this $5,000 back, and you also paid the liabilities of these two companies? A. Yes, and the liability I had that I was directly or indirectly liable for.

Q. That is your position? A. Yes.

Q. You were getting out at that time, of the Keeley Mine? A. I considered I was being frozen out at that time of the Keeley Mine.

Q. Had you and Travers not been friendly up to that time? A. We had been business associates to a certain extent, but it is very hard at some times to say whether you are a friend of Travers or not; we used to get at cross purposes occasionally.

Q. How much money had been advanced to the Keeley Mine by the bank at the time you were frozen out? A. I could not say just what amount had been advanced at that time, because at the time—well, the position was this: Mr. Travers said he had the assignment of my stock and he could, on account of my stock being assigned to him as collateral to my account, he could by forcing me on my account, have made me give up my stock anyway, and he said I could either give up the stock or vote with him to put on the bond issue: that he would square off with me; that he felt himself I was not getting what the stock was worth, but under the circumstances in which he was placed, he would square off with me; he would take the stock and cancel my obligation to the bank or I could carry my obligations to the bank and I could vote with him to put on the bond issue.

Q. What bond issue? A. The bond issue of the Keeley Mine.

Q. To what extent? A. $1,000,000.

Q. Which was not to be advanced: it was just to be making out bonds without selling them? A. Mr. Travers' position at the time of the Keeley Mine was that Mr. Wishart, in spite of the pool that we had agreed to, disposed of certain portions of his stock that was coming to him, and finally to avoid a lawsuit the stock was alloted to friends of Mr. Wishart's.

Q. Can you give me a date at which you were frozen out? A. I cannot give you any exact date, no.

Q. Do you remember the year? A. I remember at the time I got—in the first place, I had not been a director for the Keeley, as I remember, I had not been a director for the Keeley Mine for quite a time before that settlement was made, and that settlement was made several months before the bank failed, as near as I can remember it now.

Q. You were frozen out several months before the bank failed? A. Yes.

Q. That brings it down to 1910: March, 1910, appears to be the date? A. That would be it.

Q. At that time you could not have thought the Keeley Mine was worth very much or you would not have given up your stock in it? A. I have just explained to you that I never had actual control of my stock from the first day of the Keeley Mine to the last; it was assigned to the bank as collateral.

Q. But you are not the sort of man to let Travers or anybody deal with your property unless you wanted to? A. I could not help myself.

Q. It does not look to me as if you thought the Keeley Mine was worth very much at the time if you would give up your stock in it? A. I thought the Keeley Mine was an extremely valuable property at that time and think so yet.

Q. How much stock had you in it? A. My stock was cut down a couple of times, and the amount of stock I had in it was more than was actually my own, because part of it was held for Phillips.

Q. Can you tell me how much you had belonging to yourself at that time; would it be $365.000 of the shares? A. Something like that.

Q. What was the indebtedness you wiped out by the transfer of that 365,000 shares? A. I do not remember the exact amount now.

Q. Roughly speaking, would it be more than a tenth of that, $36,000? A. There was a memorandum at the time made by Mr. Travers as to what the settlement was, and I was trying to look for my copy, and I have not been able to find it.

At this point, Mr. Dewart, K.C., counsel representing Dr. Nesbitt, came in.

MR. HODGINS: We can get the exact amount from the books: I thought you would know within a reasonable margin? A. The settlement was somewhere around $60,000.

Q. Were the two concerns, whose indebtedness was cancelled at that time, good for the amounts of their debts? A. No, not at the time that the settlement was made. At the time of the loans they were; at that time they were not.

Q. Were you liable upon their indebtedness personally? A. I guaranteed their indebtedness.

Q. You were president when the Keeley Mine first opened up with the bank? A. I had not heard of the Keeley Mine until some months after I retired from the presidency.

Q. Did you introduce the mine to Travers, or how did the bank and the mine become connected? A. Do you want me to tell you as nearly as I can remember the situation?

Q. Yes? A. When I secured the option for the Keeley Mine; at least, not when I secured the option, but when I first heard of the Keeley Mine, I remembered that Mr. George Wishart, of New York, had been up at the bank during the previous summer when I was president, had been introduced to me by Mr. Travers and he had come up for the purpose of purchasing a mine on the north shore, that he had invested several thousand dollars in machinery and fitting up that mine, and had the mine examined by his engineer, and the report on it was not favorable and he turned it down: so when I heard about the Keeley Mine I went down to see Mr. Travers. I said, "Do you know whether your friend, Mr. Wishart, has secured a mine or not?" He said, "No, he has not". I told him, "I have run across what I think is a very valuable property, and what chance do you think would there be for us to place it with Wishart". I told him I thought we could both make a good thing out of it if we could place it with Wishart; and so he said

he thought the chances would be all right, and I took him over to the Rossin House the following day, and introduced him to Mr. Phillips, showed him the ore, and he said of course he knew nothing about the ore; arranged then that I would go up and secure an option on the property to give us time to go down to New York and see Wishart; so I did that and went up to Haileybury and met the men in connection with the mine, secured our option, drove out to the mine and back and turned around, and went down with Mr. Travers and Mr. Phillips to New York and went out to Mr. Wishart's place on the Sound—he had a very handsome place there—and he explained to us the wealth represented in the surrounding homes.

Q. Had you an option on the mine at that time? A. I had an option at that time.

Q. To whom? A. Keeley, Jowsey and Wood.

Q. Was that option one which recites the payment of $3 and provides for the payment of the balance of $300,000—is that the purchase price? A. Either that is not correct or you are not reading it correctly.

Q. Just look at it (Exhibit 65); how much did you pay as a deposit when you got the option do you remember? A. Paid $1,000 for the first option, and that was put up half by Mr. Travers and half by myself.

Q. See if that is the first option there now (Exhibit 65)? A. This was $3,000 paid prior to the signing of this agreement; not $3; $3 was simply earnest money, $1 to each man; $3,000 had been paid prior to that.

Q. Is that the first option? A. No.

Q. What was the purchase price in the first option? A. It was the same all the way through, $300,000.

Q. There were three options altogether? A. As I remember it now; there was first—

Q. This is dated the 18th of May, 1908, and provides for $47,000 on the 19th May, 1908; this would be the second option? A. I think that was the third.

Q. Then that would be the one that was carried out? A. Yes.

Q. This is dated the 18th May and recites the payment of $3,000 and makes $47,000 come due the following day? A. Yes.

Q. It must have been prior to this you went and saw Wishart? A. Oh, away prior to that; negotiations were going on for some time with Wishart. I think the time extended over about a month or more or less.

Q. Did you make an arrangement with Wishart? A. When we saw Wishart there, Wishart arranged with, I have forgotten—I understood Mr. Wishart was going into the mine with Mr. Travers; at the time I took the proposition to Mr. Travers there was no intention on my part, and I am quite satisfied no intention on Mr. Travers' part that the bank should go into the mine at all; there was no suggestion of the bank going into the mine; the idea was that Mr. Travers knew Mr. Wishart and considered him a man of great wealth, and he had been looking for a mine, and seemed to be a reasonable man that we could work with.

Q. Had Travers suggested Wishart to you or had you known Wishart? A. I had met Mr. Wishart, as I told you before, I had met him once, he was up once—he may have been up more than once, but up once during my Presidency of the bank; I had met him during the summer and he was then up for the purpose of buying a mine on the north shore.

Q. Was that before Travers made his acquaintance on the ship? A. Oh, no, Mr. Travers knew Mr. Wishart; it was Mr. Travers introduced Mr. Wishart to me at that time.

Q. Getting down to business when did you take any step towards carrying out the option? A. In the first place the first step towards carrying out the option would be about the time of that agreement you had there, it would be just about there that the plans for carrying out the option were completed, and we had an agreement at that time in connection with the matter; there was an agreement between Mr. Travers and Mr. Wishart and myself.

Q. And the bank? A. I have forgotten whether the bank was a party to it or not.

Q. Yes? A. The bank; by which Mr. Wishart and Mr. Travers would look after the financing of property and have full control of it. I had nothing at all to do with the financing and was not responsible for it in any way: and then after they got their money all out the profits were to be divided according to the shares. Just after that I understood Mr. Wishart had given a note for his share, $25,000.

Q. Let us get the thing definite: on the 18th May $3,000 had been paid by you and Travers jointly? A. Yes.

Q. There were $47,000 to be paid on the 19th May? A. Yes.

Q. Your agreement with Travers, Wishart and the Farmers Bank was that you were obtaining an advance from Wishart of $25,000? A. That I was obtaining?

Q. Yes? A. I do not remember it that way.

Q. And an advance from the bank of $25,000 to apply under the option, that is what this agreement says? A. I understood that that was for the mining company, not for me personally.

Q. It reads this way—you are the party of the first part—"Whereas the party of the first part is the holder of an option to purchase the mining claim and property, etc". AND WHEREAS the party of the first part is obtaining an advance from the party of the second part of $25,000, and an advance from the party of the fourth part (that is the bank) of $25,000 for the purpose of applying said sums under such option on the purchase price of said mining property". "AND WHEREAS the party of the first part has agreed to procure a mining company to be incorporated for the purpose of purchasing the said option." A. Yes, that was the arrangement.

Q. Apparently the arrangement was you were to obtain the loan from Wishart and the Farmers Bank and put up the money and then incorporate a company? A. Yes, that was the preliminary arrangement that you have there.

Q. Did you get an advance from Wishart? A. I got an advance from Wishart.

Q. In what way? A. I do not know how; that matter was arranged between Mr. Wishart and Mr. Travers.

Q. Don't you know? A. I understood that Mr. Travers had discounted a note of Mr. Wishart's.

Q. Without your name on it? A. Without my name on it.

Q. That would not be carrying this agreement out if you were getting the money? A. I was simply acting you see as agent for the purpose of the transaction until the mining company was formed; I undertook to organize a mining company in the agreement.

Q. Who was Slaght acting for in Haileybury, the lawyer who drew this? A. Mr. Travers engaged Mr. Slaght.

Q. Do you know anything about how this first $47,000 was paid? A. I cannot remember anything excepting the arrangement under that agreement; as to the details of how it was carried out I cannot remember.

Q. Did you borrow $25,000 from the bank? A. No, I did not.

Q. Then this agreement which provides for the—? A. Let me see that agreement; there may be another agreement. There were half a dozen different ones drawn at the time I remember (reads through agreement, part of exhibit 65). I see in this agreement I was acting as trustee for these parties in the carrying out of this proposition.

Q. Had you dropped out from being an interested party to merely a trustee? A. No, I was an interested party as far as my commission was concerned.

Q. When did you get down to be merely entitled to commission; I thought you were taking an interest, a quarter interest in this? A. I was not putting up any-

thing for the quarter interest; I was getting a quarter interest for turning over the option.

Q. That is your commission? A. Yes.

Q. When did you succeed in turning it over to somebody and getting a quarter interest for nothing was it before that? A. It was before that.

Q. Who did you make that arrangement with? A. With Mr. Travers and Mr. Wishart; it seems to me the agreement we settled on finally was a shorter one than this.

Q. At all events that is the explanation then that you had found the mine, apparently and got an option on it, and had turned it over to Wishart and did you say the bank or Mr. Travers? A. Well, Mr. Travers I considered at the time that Travers was getting one half, or getting his interest for introducing Wishart; when Wishart was brought in in the first place it was supposed Wishart would take the whole thing, that Mr. Travers would handle the whole thing with Wishart, it was not intended that the bank should come into it at all, and just before the matter came to be closed up, there was some re-arrangement made, and as I understood Mr. Travers had to take part of it with Wishart, at least had to arrange for part of it with Wishart; just what the absolute arrangements were I was not supposed to know anything about it; it was made between themselves.

Q. The first idea was it should be turned over to Wishart altogether? A. Yes.

Q. The second arrangement was it was to be turned over to Wishart and Travers, and finally it seems to have been turned over to Wishart, Travers and the bank with you having a quarter interest clear commission? A. Yes.

Q. For putting up the money? A. Yes.

Q. That is the shape it finally took? A. As near as I can remember now.

Q. Had you really put up $1,500 of your own money? A. Yes, of my own money for the option.

Q. That was merged in the quarter interest, you were not to have it repaid? A. I do not remember whether that was repaid.

Q. Perhaps that is the agreement you speak of on the 28th May which is a shorter one, and deals with your position? A. No, that is not the one I do not think. There was another agreement; I think I can find the other agreement in that matter.

Q. At all events on the 18th May just before the company was formed the interests are described in that agreement which we have had put in? A. Yes.

Q. And thereafter you never had any financial interest so to speak in the mine? A. No.

Q. Wishart had a quarter, Travers had a quarter and the bank a quarter? A. Yes.

Q. And you a quarter; and they between them were to find the money? A. Yes.

Q. Did you form the company? A. We took out a charter for the company.

Q. And then you got the interest in that capital stock that you had agreed upon? A. Yes.

Q. You understood Wishart had given a note and that Travers had raised the money out of the bank in some way and that this first $50,000 was paid? A. I did not know that Wishart had given a note until shortly before his note became due.

Q. Who did you learn it from? A. I learned it from Wishart first.

Q. That he had given the note? A. Yes. He came up to Toronto I think as I remember now, two or three days before the note was due, and he said he—I may have heard the note before that, I won't be positive when I heard it, but I know he came there and he said his note was coming due and he said to arrange for it, but as I remember he told me, he says, "I guess I am $1,500 or a couple

of thousand dollars short, I have had some other calls", but he said, "I suppose that will be all right". I told him I thought if the chap wanted to pay $23,000 on a $25,000 note nobody would raise any particular objection that I could see; and then there was some dispute at the time, I do not know the details of it or how the thing came about, but anyway Mr. Travers came to me and wanted me to give up $25,000 of my stock and Wishart was giving up $25,000 of his; there was some difficulty about Wishart's payments.

Q. Travers wanted what? A. Me to give up $25,000 of my stock and he said Wishart was giving up $25,000 of his, because there were some difficulties about Wishart's payments, that Wishart had not turned out as he expected him to turn out, that he had every confidence in Wishart's financial strength.

Q. Who was the stock to be given up to by you and Wishart? A. As I understood from Mr. Travers I think the stock was to be given up to the bank.

Q. And the bank was to find the money to make the next payment? A. The bank was looking after it. Mr. Wishart fell down; Mr. Travers said Mr. Wishart had failed him. Of course it is just a little hard to say what occurred at that time, because after we made the first payment Mr. Travers had an offer of $500,000 for the property; that would have given us a profit of $200,000, and he considered it a *bona fide* offer. He told me about it afterwards and I felt a little badly it had not been accepted. That increased his confidence in the value of the property, so that when a certain payment came due, and Wishart, as he told me, had failed him, he could not make good, why Mr. Travers was in the position in which he had unbounded confidence in the value of the mine from the fact that he had an offer of $200,000 profit inside of 30 days; and then he said he was going to fix it up in some way, he did not tell me at the time that, he told me at the time he had other parties that he could interest.

Q. He puts it, he having put up the first $50,000 when Wishart fell down, that he would have lost it all if he had not put up the second? A. There is a point I cannot understand.

Q. You are putting it as if he were quite willing to do it owing to his confidence in the mine? A. There is no doubt about that.

Q. Which is right? A. I am. I cannot understand just this point about Wishart, because Wishart showed me his bank books you see after I had given up this $25,000 of stock I spoke to Wishart and I said, "how is this, I have given up $25,000 of stock because you have not paid your note." and then he told me that he thought Travers wanted to grab the whole mine and made an arrangement with him by which he was not to pay the note. I said "I understand you could not pay the note", and he showed me his bank books to show me that he had actually the credits to his account in New York.

Q. Was that interview in New York? A. No, that was in Toronto; he had a bank book with him.

Q. Wishart was only to put up $25,000 out of the $50,000? A. I understood it at the time the proposition was taken up first there was the first payment to be made and then we had three months; the property certainly looked exceedingly good.

Q. We are not talking of the same thing; Wishart was to put up $25,000 as the first payment? A. Yes.

Q. And $25,000 only; why were you asked to give up $25,000 of stock and Wishart as well, making $50,000? A. I could never quite understand that myself, Mr. Hodgins.

Q. But you did give it up? A. Whenever there was a slice to be taken off, I notice it came off me.

Q. You gave it up without a murmur? A. Certainly I gave it up. When Mr. Travers told me he would have trouble about the thing I told him I would do anything at all he wanted to do; it was not any of my fault.

Q. It had not cost you anything? A. It costs me a lot of time and effort.

Q. How much stock had you all told before you gave up the $25,000? A. When we first secured the option Mr. Travers told Mr. Phillips that he would give him 10% in the property, and then my quarter included at that time 10% he had promised to Mr. Phillips.

Q. That would be $250,000 was the quarter? A. Yes.

Q. And you gave up $25,000 of it? A. Yes.

Q. Did you ever hear of trouble between Wishart and Travers at the time Wishart defaulted and the second payment was due? A. I heard of a good deal of trouble between Wishart and Travers.

Q. From what you said now I judge you did not hear of any trouble at that time, that it was afterwards you heard about that? A. It was about the time this note came due; I do not know just what the date was, but that was about the time.

Q. What trouble did you hear about? A. Of course you see difficulties between Wishart and Travers, I did not understand all the ins and outs of, and I of course took Mr. Travers' side of the thing, what Mr. Travers told me I accepted in preference to what Mr. Wishart told me.

Q. Who made the payments to Keeley, Jowsey and Wood of the moneys? A. I cannot remember now just how the payments were made to Keeley, Jowsey and Wood.

Q. Who was acting for them up in Haileybury? A. Mr. Harvey Graham I think.

Q. Was Mr. Killoran? A. Killoran had put up money for Phillips.

Q. Was that all? A. He was interested with Phillips, that is all I know.

Q. Had you anything do with paying anything beyond the first $3,000? A. I was not, as I remember it personally I did not have anything to do with paying anything beyond that.

Q. You think Harvey Graham acted for these people? A. He did in the arrangements I had, he was solicitor when I got the option from them; he drew up the first option.

Q. He received the money on behalf of these three vendors? A. I think the money was paid into the Union Bank at Haileybury.

Q. To their joint credit was it? A. I do not remember.

Q. Did Travers put up the second payment under option or do you know anything about it? A. Mr. Travers in the early stages of the Keeley Mine assured me that he was getting money outside the bank. I think up till after the second payment was made I understood that he had other parties that he had interested.

Q. Did you afterwards inquire who they were? A. He said he would not tell me who they were; he made the arrangement and he was acting for them.

Q. Was not there an understanding that no one else was to come in, the stock was to be pooled and not sold? A. That was the understanding with Mr. Travers, but Mr. Travers was the sole manager of that proposition.

Q. You say you understood from him that he was, notwithstanding that, bringing people in? A. He was arranging in connection with them.

Q. Did he make the second payment? A. I do not know; the payments were made through the Farmers Bank; it was arranged that the Farmers Bank would be the bankers for the mine at the time; he expected to have good business out of the mine for the bank.

Q. Did you get anything back from the vendors when the payments were made? A. In what way?

Q. In any way? A. Do you mean did I get—

Q. Any rake off on the payments at all? A. No, sir.

Q. Do you know of any one who did? A. I understood Mr. Phillips and Mr. Killoran got commission, at least Mr. Phillips got a commission from them.

Q. Did Wishart? A. Not that I know of.

Q. Did Travers? A. Oh no, not that I know of.

Q. You do not know of any private arrangement whereby the price was to be less than it was represented to be? A. Not that I know of.

Q. It always remained $300,000? A. Yes.

Q. After the second payment was made you say you learned the bank was interested, I judge that from what you said? A. Yes.

Q. Did that surprise you? A. It did; I expected that Mr. Wishart was going to have the whole thing placed before the second payment came due.

Q. The Farmers Bank had a quarter interest, had not they under this May agreement which I showed you? A. I do not think they had a quarter interest, as I remember the original matter. Mr. Travers told me at the time, he said the supposition was that Mr. Wishart would carry the whole thing and he said, "I am going to go in with Wishart and take $25,000 and get a bonus of $125,000 of stock for the bank for carrying this thing for three months".

Q. When did you learn that the bank had been advancing the money? A. I think I learned that first from Mr. Travers.

Q. From that on I suppose you realized that the bank and the bank only had put up all the money? A. Yes.

Q. And that Wishart had not? A. Wishart had fallen down completely.

Q. Had you contributed any more stock? A. Not in that connection.

Q. Had you in any way? A. I had contributed some other stock to assist Mr. Travers in getting a deposit.

Q. What do you mean by a deposit? A. He wanted, he was anxious to get as much money deposited in the bank as a matter of business as he could, and after this second payment he came over and saw me one day at my house, and told me that the fact he had been associated with the Keeley Mine he was afraid would produce a run on the bank; the bank was perfectly solvent in every way, but no bank could stand a run, and he would like ample provision for such an emergency, and I told him I did not see how the fact that the bank was connected with the Keeley Mine could affect it or make any run on it. Well, he said, there is just street talk and that sort of thing. I said, "What do you want me to do?" "Well," he said, "I would like to have $150,000; I do not need it, but I would like to have it there in case I had a run." I explained to him as naively as I could I did not know where I could get $150,000. "Well," he said, "what about your brother-in-law, Mr. Crompton: has not he got the money?" Well, I told him I thought he had the money, but I did not think he would just walk over and deposit $150,000 because I asked him. "Well," he says, "I suppose he is getting interest on his moneys and I will give him as much interest as he is getting on his money and I would like to have it in." We went on discussing the thing, and finally he made the proposition, "Now," he said, "this matter has arisen from the fact that I am connected with the Keeley Mine and I helped you out in that matter in introducing you to Wishart, and putting the deal through with Wishart, and I think you should try and help me out, and it will be a great thing for us and for me, and will make us perfectly comfortable and easy to have that money, and I will suggest we give a bonus of Keeley stock, you join me in that." I did not see the thing just that way to start with: we talked the matter over and finally came to a position in which he arranged to give Mr. Crompton as good interest as he was getting at the time and would give him a bonus of Keeley stock. The reason I participated in that bonus at that time was I was really anxious to get Mr. Crompton in with Mr. Travers' consent, because Mr. Crompton owned the Proudfoot, which was just across the line. I was interested in the Proudfoot with him: the Proudfoot at the time was just a prospect, but nothing found on it.

Q. How much did you contribute of that $100,000? A. I contributed $25,000.

Q. The arrangement with Crompton went through? A. Yes.

Q. That was March 3rd, 1909, an arrangement to deposit $50,000 and $25,000 and $55,000? A. I do not remember the date.

Q. The 3rd March, 1909, is the date of the Crompton agreement? A. What date would that agreement about the mine be?

Q. May, 1908? A. That would be about a year afterwards.

Q. You used the expression that Travers suggested to you he had helped you out introducing you to Wishart, what did he mean by that? A. He gave me an opportunity to make a profit on the mine by getting Wishart to take it up.

Q. Are you speaking of your commission or your share? A. My commission, yes.

Q. That is the only sense in which you made a profit? A. Yes.

Q. I see you were elected a director of the company, that is the Keeley-Jowsey-Wood Mine on the 29th May, 1908? A. Yes.

Q. You had about 100,000 shares from that time; I think you said it was after the second payment had been made that you learned the bank was interested? A. Yes.

Q. Did you learn then the bank had put up all the money? A. I think I did, yes.

Q. Did you ever hear, or did you learn that Wishart had got back his note? A. No, I did not know when Wishart got back his note.

Q. I see Wishart remained as a stockholder with 100,000 shares all through 1908; in fact, he was president of the company? A. Yes.

Q. Then on the 10th of June, 1909, he jumps down to fifty thousand-odd; Wishart contributed no money at all to your knowledge? A. Of course, I thought he put up that; I learned afterwards that he had not contributed any.

Q. You learned that after the second payment came due? A. Yes.

Q. That was August, 1908? A. Yes.

Q. How were the balance of the payments taken care of? A. The balance of the payments were taken care of by loans from the Farmers Bank to the Keeley-Jowsey-Wood Mine.

Q. Were you aware that the bank was advancing the money from time to time to take up those payments? A. I was not aware that the bank was advancing all the money.

Q. Were you advancing any? A. No, I had an agreement not to advance any.

Q. You knew that Wishart had fallen down? A. I understood so from Mr. Travers.

Q. That would only leave of the directors Travers, the Farmers Bank, and Mr. Owens, with one share; who did you think was advancing the money? A. I had nothing at all to do with financing the mine; I had absolutely nothing at all to do with it; I had an agreement, but I had nothing at all to do with it; and I stayed in that position.

Q. You acted as a director? A. For part of the time.

Q. Do you wish to be understood that you knew nothing of what was going on? A. I knew we were getting loans from the Farmers Bank.

Q. Did you know the amount? A. I could not tell you the amounts now.

Q. Was the mine being operated? A. The mine was being worked.

Q. When were you up there? A. I was up on several occasions in the first year or so.

Q. You saw a very extensive plant going in? A. Yes.

Q. You knew the money had to come from somewhere? A. Yes.

Q. Were you putting up any security or giving any notes or anything? A In connection with the mine?

Q. Yes? A. I had an arrangement I had nothing at all to do with the financing of the mine, and I stuck to that.

Q. You were never called upon to do that? A. No.

Q. Just remained with whatever interest you retained and let somebody else find the money? A. Certainly.

Q. That is a short statement of just what happened from the time you made the agreement in May, 1908, till the failure of the bank? A. That is as nearly as I can recollect the whole thing.

Q. Did you know anything about the entries that were being made in the bank books with regard to these loans? A. No, sir; it was not possible for me to know: I was not an official of the bank and had nothing at all to do with the bank at that time any more than you had.

Q. When was this $5,000 paid to you for the purpose of getting Wishart to agree to the underwriting? A. About the time of the underwriting, the day before or the day after, about that.

Q. When was it? A. I cannot fix the date. If you get the minutes of the Keeley Mine, it was about the date of the underwriting.

Q. That was the last company of all? A. Yes.

Q. The Keeley Mines, Limited? A. Yes.

Q. The prospectus appears to have been on December 30th, 1908? A. It seems to me Wishart went over towards the spring with the Keeley Mine—

Q. Yes, the prospectus was dated the end of December, 1908? A. Then it was later than that Wishart went over to England to place the stock, so that it would be later than that that the underwriting took place.

Q. On the 28th May there is a transfer of 50,000 shares of Wishart to Pakeman, of London, and 10,000 to Whitney, of New York, was not that part of the underwriting? A. No, that was after he came back. They started a suit and were making trouble with Mr. Travers and he had to consent to the transfer of those shares. As a matter of fact, Mr. Travers was very badly abused by those people all the way through.

Q. The underwriting then would take place about the beginning of January, 1909, and it was Wishart's consent to that that had to be got? A. Yes.

Q. What was the necessity for his consent? A. The underwriting was chiefly by the bank; Wishart would get the stock at a certain price and he would place the stock at a higher price; the difference was Wishart's profit. The bank was coming in and taking a profit off that first. Wishart's position was at that time, Wishart wanted it at 70, and I suggested to him first that the bank should have it at 70. He says, "I have to place this thing over there and I should have it at 70", and so it was necessary to adjust the requirements as between Wishart and the bank both wanting it at 70.

Q. What was the result? A. The result was the bank got the underwriting at 70.

Q. And Wishart got it at what? A. I cannot remember the figure; Wishart's figure was higher; I know it left a handsome profit for the bank; Travers said at the time if Mr. Wishart was successful in placing this stock, as he thought he would be—

Q. Wishart appears to have stayed in through 1908 and 1909 and was paying nothing; anything said about his financial position at that date or the necessity—? A. I had nothing to do with that; that was a matter between Wishart and Travers; Mr. Travers knows what arrangement he had with Wishart and what other dealings if any he had with him; I had nothing to do with them.

Q. I want to ask you some questions about the deposits by the Treasurer of Ontario; Mr. Dewart is here now.

MR. DEWART: What Dr. Nesbitt wanted me to call attention to was a paragraph in the editorial columns of the Globe of Friday June 20th. What Dr.

Nesbitt objected to as being practically a contempt of Court is this statement: "Now, what are the admitted facts in the case? Dr. Beattie Nesbitt needed money for the Keeley Mine speculation; that was the chief cause of the wrecking of the bank; he got the money from the bank through Travers on a promise to engineer the deposit of a like amount from the Government of Ontario."

Dr. Nesbitt desired I should bring before the Court this statement as one which he considers is absolutely unfounded upon the evidence and one which he feels reflects upon himself before he has had even the opportunity of giving evidence.

MR. COMMISSIONER: Go on Mr. Hodgins, please.

MR. HODGINS: Did you ever interest yourself to get a deposit in the Farmers Bank from the Treasurer of Ontario, Colonel Matheson? A. I saw Colonel Matheson once during the year I was President of the bank.

Q. That would be 1907? A. Yes. I told him we would like to have him make a deposit with the bank, that the Government was depositing with other banks which simply had branches in the city of Toronto and our bank had its head office here and we had a large number of farmers throughout Ontario who were shareholders interested in the bank and I thought we were entitled to a portion of the Government deposits as well as any other bank. He told me that he could not promise to give me a deposit just then, he would wait until he had seen more of our returns, and the bank getting along nicely,—He said the bank was rather young, that he would do something for us.

Q. Well? A. That was all.

Q. That does not seem to have been all; did you stop your efforts there and did they result in nothing? A. He subsequently made a small deposit with us.

Q. How long after your talk with him? A. I cannot say.

Q. What was the amount of the deposit? A. His first deposit, it was a small one, I have forgotten the amount now; there was not any reason why I should charge my memory with it.

Q. You do not know; what year? A. During the first year of the bank while I was President of the bank.

Q. There were small deposits which on the 14th of June were made into a deposit receipt, 14th June, 1907? A. That would be about the time.

Q. There is nothing else of any consequence until it culminates in another deposit receipt on the 13th of May, 1908, of $15,000 and one on the 19th May, 1908, of $10,000; had you anything to do with getting those? A. No, I never saw Colonel Matheson afterwards in connection with any deposit in the Farmers Bank; I have told you the only time I ever saw him.

Q. That deposit receipt appears to have been paid off on the 27th December, 1908; you resigned in February, 1908? A. I really was through actively as President at the end of 1907, as I remember the thing.

Q. Let me see that article, Mr. Dewart, and find out what the Doctor says as to that. It has been stated that you got money for the Keeley Mine speculation through Travers on a promise to engineer the deposit from the Treasurer of Ontario? A. It is not correct.

Q. What did you say to Colonel Matheson in connection with the deposit other than you have told us? A. I did not say anything more than I have told you; that is the gist of what I said to you. It was in 1907.

Q. There are deposits running on later then; they go on to 1909; had you anything to do with the getting of those deposits? A. I never saw Colonel Matheson except the time I have told you in connection with that matter. He was Provincial Treasurer and handled the deposits; I saw him on that occasion and what I have told you is all I had to do with it.

Q. Did Travers, seeing you were successful the first time, never say to you he thought the Government should make further deposits? A. He said he con-

sidered I was very unsuccessful and considered I had not any pull at all; he thought he should get much more money.

Q. Did he ask you afterwards? A. That was the remark he made.

Q. Did he ask you afterward, after you had made your first effort and been successful? A. He spoke to me again about trying to get deposits, and I told him that I could not do anything with that. He spoke to a great many people with reference to deposits from the Government and I may have spoken to some of my friends afterwards, but there was no direct or indirect interest between the deposits and my affairs with the bank.

Q. Travers seemed to be pretty hard up for money and claimed there was a promise made—here is a letter of June 18th said to be sent to Colonel Matheson (Exhibit 68): "Two weeks ago I made some advances to the extent of $35,000 on the promise that $25,000 would be deposited by you, which was requested by the friends of Dr. Beattie Nesbitt"—that carries it down to June, 1908; who were those friends? A. I do not know.

Q. You spoke just now of some of your friends, you had spoken to some of your friends? A. It would be quite absurd to try and remember who I had spoken to in connection with getting deposits.

Q. The statement is a very definite one? A. I did not make the statement.

Q. Cannot you throw any light on who the friends were? A. I did not make the statement.

Q. Travers made the statement? A. I do not care what Mr. Travers made; that don't concern me.

Q. You said a few minutes ago you had spoken to some of your friends? A. Yes, but that was in 1907.

Q. He was getting harder and harder up, and actually went to your brother-in-law in 1909? A. You must understand that Mr. Travers as far as his conversations with me are concerned never indicated he was getting harder and harder up; from the first to the last day of my official connection with the bank he always maintained that his bank was—A. No. 1, first class shape and he was getting along fine.

Q. Could you help realizing that neither you nor Wishart were putting up any money for the Keeley Mine, and as you knew $300,000 had to be paid, that the bank must be paying out a very large amount of money in proportion to its capital? A. I did not consider any money that the bank was paying out to the Keeley Mine—the Keeley Mine I considered a No. 1 first class asset, and the moneys paid out for the Keeley Mine should not have affected the bank a particle. The bank has more money than what it puts in one concern.

Q. It had only a little over $500,000 capital? A. I do not remember what capital it had at the time we went into the Keeley Mine.

Q. You knew what it had when you ceased to be President? A. I know, but they were selling stock after that.

Q. They do not appear to have sold very much? A. I did not look into that; I do not know anything about that.

Q. Were not deposits a very important thing for a bank director to get who was putting that amount of money into a mine? A. I was not a bank director.

Q. Bank manager; was not it very important for Travers to get them? A. I never saw a bank manager who was not willing to get deposits. I have had other bank managers besides Travers who asked me to get deposits.

Q. Was not he following you up and trying to get you to use your political influence to get deposits? A. I cannot see how—

Q. Did you understand his remark in the letter? A. I do not care about his remark in the letter.

Q. You have no explanation of it? A. It had nothing to do with me.

Q. You do not dispute it is true? A. I do dispute it is true in the sense in which it is put in that letter.

Q. You say it is not true that this $25,000 was requested from the Treasurer by the friends of Dr. Beattie Nesbitt? A. Certainly there was no item of $25,000 ever mentioned or ever considered. The only suggestion at any time was to have the Government deposit with us. This $25,000 has been fixed up with regard to this other thing; this is all hot air, that is what it is.

MR. COMMISSIONER: You have not told us who Mr. Phillips was as far as I recollect? A. Mr. Phillips was a mining engineer that got this option, had these men in the first place who owned the mine and had a verbal option from them. He came down here with a verbal option from them.

Q. Was there any time in June, 1908, or at any other time, an advance made to you of $25,000 or any other sum on the promise that deposits to that amount would be procured from the Provincial Treasurer? A. No, sir.

Q. As far as the Keeley Mine is concerned, your statement is you had nothing whatever to do with the financing of that, you were free from all connection with it? A. Absolutely.

Q. That these men Wishart and Travers were to look after the finances? A. Yes, that is quite right.

Q. If I recollect right, his statement is that when you were not able to put up the first $25,000 on the purchase price of the Keeley Mine that he advanced it upon the promise that you would procure an equal amount in the shape of deposits? A. No, that has been mixed up and brought in later. Mr. Travers at the time shortly after, around about the time that the mining transaction was put through as near as my memory serves me, all that was said in that regard by Mr. Travers to me was this, or words to this effect: "Now, I have helped you in getting Wishart to come in and arrange to float the mine, and as I have done that for you I think you ought to endeavor to get deposits for me and more business for me", and I told him that anything I could legitimately do to help him to get more business I was very glad to do, and I certainly would.

Q. Was that the time which resulted in Mr. Crompton coming in? A. Mr. Crompton came in subsequently to that, quite a long time after that. My memory of Mr. Crompton coming in was, that it was only three or four months after the mine was purchased, but it seems to have been about a year after by the negotiations, but I had forgotten the whole thing.

MR. HODGINS: There is a copy of a letter that apparently was sent by you to Mr. Noble in December, 1906; you have seen that letter? A. Yes.

Q. Was that one written by you? A. That was a circular prepared by Mr. Travers to send out to our directors.

Q. To the shareholders? A. I think it was to the directors.

Q. This is written to Robert Noble? A. He was a director.

Q. You say "Our papers and everything were in such excellent shape owing to the care taken by Mr. Travers and Mr. Hunter, our solicitor"? A. That was as Mr. Travers told it to me; Mr. Travers drafted the letter.

Q. And you signed it? A. Yes.

Q. I suppose you read it? A. Yes.

Q. You saw nothing that was wrong in it? A. I could not see anything wrong; Mr. Travers' statement throwing some bouquets at themselves.

Q. Would this letter dated November 19th, 1906, fix the date at which you gave your signature having agreed to become President? A. Yes, that would be about right.

EXHIBIT 87: Letter dated the 19th November, 1906, to G. E. Valleau, Secretary British American Bank Note Company, from General Manager of the Farmers Bank.

EXHIBIT 88: Copy of letter dated December 4th, 1906, from Dr. Nesbitt, President, to Robert Noble, Norval.

Q. Mr. Travers wants me to ask you a question whether you remember Wishart being up in Haileybury with quite a number of other people, anxious, as

Travers says, for the option to fall down, in which case I suppose he would take it up independently, and if it was not on that occasion you saw his bank book? A. I remember very distinctly the fact that Wishart was up there anxious for the option to fall down, because Mr. Travers' impression was that he was double crossing him. I think Mr. Travers is absolutely right. I went up there at Mr. Travers' request to look after things in his interest and protect him, because Wishart, as I understood from Mr. Travers, had made a promise to come forward with money for that particular payment, I think—Mr. Travers will correct me if I am wrong about this—that Wishart had promised Mr. Travers that he would come forward with money for that particular payment, and Mr. Travers had waited until the last day and last hour for him to do it, and he sent me up to Haileybury to watch things for him and to see Keeley and Jowsey and Wood and see if we could not get some little extension so that it would not be possible for Wishart to throw him, and I went up and I got the thing fixed up anyhow, and Mr. Travers got in ahead of Wishart.

MR. COMMISSIONER: What you were asked was whether you may not have seen Wishart's bank book at that time and not when the payment became due here? A. My impression is that I saw the bank books at the time the payment came due here. If it is any importance to verify, it should not be hard to have a Commissioner in New York look into the thing and take the evidence, because Wishart can produce his bank books, but that is my impression. I would not swear positively—Mr. Travers asked the question—I would not swear positively that was the time I saw his bank books; my impression is that was the time.

MR. HODGINS: I may as well say before Dr. Nesbitt goes there is another matter, and that is in relation to that special return which was made in May, I think it was, 1907, and I think the evidence with regard to that is only material so far as the purposes of the commission are concerned, as showing the difference between the amount of the notes actually on hand and the amount of the notes mentioned in the special return. The only question I proposed to ask Dr. Nesbitt about that was whether he knew the amounts of the notes that had been got and that had been pledged? A. I knew nothing at all about the details in that way; I can assure you I knew nothing at all about that: when you get on to the details I knew nothing about it.

MR. HODGINS: I am not interested as to whether he knew the statement was true or not, because as far as we are concerned, it does not appear to have been correct; but that is the only question I wanted to ask.

MR. HODGINS: Mr. Clarkson wishes to make a statement.

MR. G. T. CLARKSON, Recalled:

He said: I made a statement here the other day that the World newspaper account had been paid. At the time I believed it had been paid, and Mr. Maclean did too. But a difference arose over the agreement. The payment was not made, and at the present time the account is owing to the bank. I had executed a document, the money was available, I had understood it had been passed over. A disagreement arose between the solicitors as to the terms of the document, and this report which was put in to Mr. Maclean was withdrawn. He is now endeavoring to arrange matters to pay the account; but I wish just to correct the testimony.

The Commission adjourned at 4 P.M. to 11 A.M. tomorrow.

Toronto, June 28th, 1912.

The Commission resumed at 11 a.m., at Osgoode Hall.

GEORGE GUTHRIE, Recalled:

MR. HODGINS: I just wanted to ask you a question I forgot when you were here before; while these papers were in the dectectives' custody did any reporter or editor of any of the papers, daily papers, or evening papers, see them? A. No, sir.

Q. Quite sure? A. Positive.

Q. Could they be seen without your knowing it? A. Not unless they would break into my locker which they did not do; at least my locker has never been broken.

Q. You could not account for the circumstantial way in which the documents were described? A. No, I could not.

Q. I think I asked you the last time about the custody of the papers? A. Yes.

Q. Would County Constable Burns be the one who got them if the matter was transferred from the County Judge's Criminal Court to the Assizes? A. He might not, they were not exhibits.

Q. What would become of them? A. I would hand them over to Inspector Duncan and he would hand them over probably to the Crown Attorney.

Q. Who would the Crown Attorney be? A. Mr. Baird was at that time.

MR. COMMISSIONER: What did he hand them over to the Crown Attorney for? A. I do not know unless they would be talking over the cases that would be coming up.

Q. But there was a case founded on these letters? A. No, sir.

Q. What would they be handed to the Crown Attorney for? A. That I could not say; I know they were got from me by Inspector Duncan.

Q. Who is it that leaks from the Police Department about papers or who is your publicity officer? A. Sometimes we would like to know.

Q. You have not anybody? A. Not that we can accuse of that. I might say about them that it was Mr. Clarkson or one of his boys that asked me if I had those papers at that time and I said no. I had them though at the time.

Q. You said no? A. Yes, but I told him I had not.

ROBERT BURNS, Sworn, Examined by—

MR. HODGINS: You are a County constable? A. I am a Provincial constable.

Q. And you I think act in the capacity of clerk to the County Crown Attorney, do you not? A. Yes, sir.

Q. Have you or did you get the custody of any of the papers connected with the criminal cases before the County Judge's Court or the Assizes? A. I have done for a number of years.

Q. Who do you get them from? A. From the Police Court clerk, Mr. Arthur Webb.

Q. Are you recognized as the person who gets the papers that have been filed in the Police Court? A. Always have been for a long time.

Q. Are those the only ones filed as Exhibits, filed with the Clerk of the Court? A. I get the papers and I always get possession of any exhibits in reference to any trial where they have been committed for trial.

Q. Do you get anything from the Toronto Detective Office? A. As Exhibits?

Q. As papers connected with the case? A. No. I get everything from Arthur Webb; I get nothing from the Detective Office.

Q. Are you distinguishing between what is marked by the Clerk of the Court as an Exhibit and other papers? A. No, I am not distinguishing any. I am saying that I get all Exhibits from the Police Court Clerk, and that is Arthur Webb, and they are entered in the Police Court Book which I give a receipt for, and this case we are speaking of, I have the Police Court book in my pocket and also my receipt for all the exhibits that were in the Police Court case.

Q. Let us see them? A. (Produces Police Court Clerk's book).

Q. That is a receipt apparently for certain numbered Exhibits? A. That is it.

Q. Signed with your initials for James Baird, is that the only one? A. That is the only one of Exhibits in any of the cases.

Q. Did you get any other papers which were not marked by the number of the Exhibit? A. No, sir, none whatever.

Q. When you get them you have an office in the City Hall Building, don't you, where you keep them? A. Detective Guthrie and myself brought those Exhibits over into Mr. Baird's office, and directly we got them there we both sat down and we went over them and we tabulated them according to these numbers, and Detective Guthrie has some long envelopes, there were some of them similar to this, and the number of the Exhibit was already on them in some of the cases, and also a statement of what was inside the envelope.

Q. Can you throw any light on our inability to find any papers which are connected with the Farmers Bank which were not put in formally as Exhibits? A. No, sir.

Q. Did you ever have any other than those Exhibits? A. No, I cannot; I can tell exactly what became of all these Exhibits as far as my knowledge is concerned.

Q. We have seen all those? A. We did not examine the insides of the envelopes: we simply tabulated them according to the Exhibit that was there.

MR. HODGINS: I have all those numbered Exhibits.

JAMES P. HAVERSON, Sworn, Examined by—

MR. HODGINS: You are a reporter on the World? A. Yes, sir.

Q. Have you ever gone through these papers connected with the Farmers Bank prosecution in the hands of the detectives or in the hands of any one else? A. No, sir.

Q. Did any one connected with the World or any other newspaper to your knowledge? A. The Globe printed some letters in connection with it, and I suppose if they were accurate prints of any letters they must have had some sort of access to them. The City Editor of the Globe would be able to tell you how he got that news.

Q. That is your inference from seeing them in the paper, but you do not know anything about that? A. No, except that is what happens on newspapers.

Q. None of the papers which we have been hunting for have come under your notice? A. No papers at all were ever under my notice except any papers that might have lain on Inspector Duncan's desk when I was in there, and I would not recognize them other than papers that were on his desk, more than seeing Farmers Bank on the outside of some envelope or folder I would not be able to tell anything about them.

T. LOUIS MONAHAN, Sworn, Examined by—

MR. HODGINS: You are a practising barrister here? A. Yes.

Q. And were a partner of the late Mr. James Baird when he was County Crown Attorney? A. Yes.

Q. I think during his illness latterly you did some of the work for the Crown? A. Oh yes, during all the time he was County Crown Attorney.

Q. You conducted one of the prosecutions, perhaps more than one arising out of the Farmers Bank? A. I think I conducted three before the County Judge.

Q. Do you remember whose those were? A. Yes, Crompton; he pleaded guilty I think: Munro he was tried before Judge Winchester, and I think Mr. Warren and Mr. Morden in connection with some dealing in regard to the currency of the bank.

Q. But in connection with those prosecutions or as Mr. Baird's partner, did you have possession of any of the papers of the Farmers Bank that were seized by the detectives? A. I have no doubt that I had all the Exhibits in each one of those three cases.

Q. Did you see any papers other than those numbered and marked as Exhibits? A. I saw the Exhibits in what we term the conspiracy charge against a lot of them, I saw the papers in that.

Q. They were all marked as Exhibits? A. I was not in that case, I never examined them closely enough, but I have seen some in Mr. Corley's room. I assisted Mr. Corley in that case in the Police Court at his request, and at that time I saw the Exhibits in that case.

Q. Did you ever see this $3,000 cheque? A. No, I never heard of it. The fact of the matter is I do not think I recollect ever having seen a Farmers Bank cheque, if it is a Farmers Bank cheque.

Q. Did you get possession of the World file? A. No, I have never seen them at all.

Q. Do you know whether Mr. Baird's office got possession of any papers or had them in any way? A. I would be very much surprised to learn that they were ever in his possession, because all the Exhibits in the Farmers Bank that ever came over were brought over through Detective Guthrie and Burns and personally I never procured any other papers direct from Inspector Duncan, and I would be somewhat surprised to learn that Mr. Baird ever had; if he had it was without my knowledge.

Q. Did he take part in the prosecutions himself personally, or did you? A. In the early part, I do not remember exactly what date, it would be before there were any committals for trial, but I think the time the committals for trial took place Mr. Baird's health was such that he was very rarely in the office: he used to come down to the City Hall once in a while but he did not take any active part.

Q. Would you have anything to do, or you and his office have anything to do with the Assize prosecutions? A. Not unless, as a matter of fact, I think it was Mr. Staunton prosecuted some of them in the conspiracy charge—the only assistance that I rendered him in that was in the preparation of the indictment. At the time that case came on before the High Court I was then acting for Mr. Baird before the Sessions Court.

Q. What precautions are taken with the papers that are marked as Exhibits or are in the hands of the Crown officers for information which they may or may not make Exhibits? A. They are kept in the office there. The office is always kept locked, or if it is open it is in the custody of Mr. Burns and he has instructions not to hand out any papers to any person unless he gets permission to do so or gets a receipt.

Q. Does his instructions prevent people seeing the papers? A. It would prevent them seeing them unless Burns was there and watching, and Mr. Burns is very very careful, I have noticed that particularly.

Q. There are no instructions against him letting people see them? A. I do not think he would in a case of this nature, but if it was the case of a person acting on behalf of the accused desiring to see certain documents which would be a matter of necessity for the lawyer to know about, I have no doubt Mr. Burns would allow him to see them.

Q. Mr. Burns says he only has the Exhibits; what about the papers that come into the hands of the Police and the Crown Officers naturally go over them for the purpose of seeing if they are useful? A. Those would most likely arise in this way: when the case, after committal for trial, the Exhibits and the information and the papers would come over, and if there was anything unusual about the case, you would request to see the detective who had charge of it, and then no doubt you would learn from him that there were certain other papers that would be of assistance and he would get them for you.

Q. Then he might have charge of some of the papers not actually marked as Exhibits? A. That is quite usual.

Q. You cannot throw any light on where these papers which have not been marked as Exhibits are, but which we want to get? A. I do not really know which ones you have reference to.

Q. I have referred to that $3,000 cheque? A. There was a letter said to have been written by the Provincial Treasurer. I was aware that there was some correspondence regarding dealings between the Toronto World and the Farmers' Bank and I knew they were there, because Mr. Clarkson either wrote to me or telephoned to me or to Mr. Baird, and I answered him asking for these papers; that would be some time in August or September, 1911; and I told him then that I did not have them; and that was as a result of the investigation I made in the office. I did not see these papers, I had never seen them, although I knew they were in existence. At that time I did ascertain where they were and found they had never been Exhibits. Inspector Duncan told me they were in Detective Guthrie's custody at that time.

BENJAMIN GEORGE KILLORAN, Sworn. Examined by—

MR. HODGINS: You live in Haileybury? A. Yes.

Q. And you had something to do, I think, with the original sale of the Keeley Mine? A. About the time they were talking of selling it Mr. Phillips came to me for a loan of money, so I gave him $375.

Q. Who is Mr. Phillips? A. He is a mining engineer.

Q. What had he to do with this property? A. He went to the owner, Keeley, Jowsey and Wood and examined it.

Q. Did he have an option on it or was he just an engineer? A. I could not tell you whether he had an option or not, but for my protection I went to the owners of the property, and if any deal would go through I was looking for a 10% commission.

Q. What is that? A. I went to the owners of the property myself and they agreed to give me 10% commission, which they did.

Q. If you sold it? A. If the property went through.

Q. Was there a deal on with Phillips? A. Phillips was negotiating with some people, I do not know who they were.

Q. Were you and Phillips to share the commission? A. Phillips' commission, I do not know whether he got it or not; I cannot say.

Q. Were you and he partners in trying to sell it? A. I went to the owners; I had not anything to do with Phillips, but I loaned him the money.

Q. Who did you effect a sale to? A. I did not have anything to do with the sale at all.

Q. I thought you said they paid you a commission? A. Keeley, Jowsey and Wood paid me a commission.

Q. Who did you sell the property to to earn your commission? A. They paid me a commission because I went to them and I told them I had loaned some money in order to try and put the deal through.

Q. Did you put the deal through? A. No.

Q. Who put it through? A. I could not tell you who.

Q. What was the deal—who bought the property? A. I could not tell you who bought it.

Q. Who paid for the property? A. I cannot tell you that.

Q. Do you mean to say you got a commission of 10% on a deal you cannot even tell us anything about; I do not understand you; I thought you told Mr. Thompson here all about the sale and the amount that was paid and what you got? A. According to the commission I got, it was $300,000 paid.

Q. Who did you get your commissions from? A. Keeley, Jowsey and Wood.

Q. What did you do to earn your commission? A. I had lent the money to Mr. Phillips.

Q. How much money? A. $375.

Q. And your commission amounted altogether to how much? A. It came through my hands, it was $30,000.

Q. For lending this money to Phillips; is that all you can tell us about the deal? A. That is pretty near.

Q. Don't you know who bought the property? A. No.

Q. Who was to pay you your commissions? A. The Union Bank.

Q. Under whose orders? A. Keeley, Jowsey and Wood.

Q. Who was the one you went to when you said you went to the owners? A. Keeley, Jowsey and Wood.

Q. All three? A. Yes.

Q. Did they live together? A. No, they were on the property at the time.

Q. Phillips then was to put the deal through? A. I could not say.

Q. Is there something you do not want to tell? A. No; only I have an agreement here in my pocket and I just lived to that.

Q. Do you know what that agreement is; let me see it? A. (Produces an agreement).

Q. This is between Phillips and you, and you agreed to pay Phillips 50% of all the commissions received by you from the sale of the mining property known as the Keeley-Jowsey-Wood claim H. R.-19; did you pay Phillips 50% of the commissions? A. Yes, it went to this gentleman. (Produces a letter with a cheque attached.)

Q. To H. D. Graham? A. Yes.

Q. What had he to do with it? A. I suppose he was the lawyer that acted until his death.

Q. H. D. Graham was a lawyer at Haileybury? A. Yes.

Q. Who was he acting for? A. I understand he was acting for Keeley, Jowsey and Wood.

Q. You wrote to the Union Bank May 20th, 1908: "I hand you herewtih agreement signed by Jowsey, Wood and Keeley for payment to me of 10% on the sale of the mining claim to Dr. Beattie Nesbitt"—have you that agreement? A. The agreement I tried to get it, but he said he did not know where it went.

Q. Who? A. The Union Bank.

Q. You had the agreement? A. He said he made it a practice when the thing was through like that, he was through with it.

Q. You had an agreement which is described here dated 19th May, 1908, between the owners of the property and yourself? A. Yes.

Q. Agreeing to pay you 10% on the sale to Dr. Beattie Nesbitt? A. Yes. I cannot remember who the agreement was with; it was just for the bank, and it was handed in to the bank.

Q. This is your own letter? A. Yes, it was handed in to the bank by the owners, by Keeley, Jowsey and Wood.

Q. Did you ever see it? A. Well, I heard it read at the time.

Q. The agreement authorized the bank on receipt of payment from the purchaser to put 10% to your credit? A. Yes.

Q. And that is why you send the agreement apparently? A. Yes.

Q. You think Graham was acting for the owners? A. Yes, he was at that time.

Q. Why did you pay him $2,500? A. He was looking after Mr. Phillips' affairs, he was looking after the deal.

Q. Looking after Mr. Phillips' affairs? A. I suppose.

Q. Was he Phillips' lawyer? A. I could not tell you.

Q. Did you owe him anything? A. No.

Q. You just paid it on Phillips' account was it—you were to pay Phillips; did you pay Graham on Phillips' account instead of paying Phillips? A. I was authorized to give it to Mr. Graham.

Q. Was Phillips acting for Beattie Nesbitt or for the owners? A. I could not tell you.

Q. Did he ever tell you who he was acting for? A. No, he did not, not to my knowledge.

Q. At all events he got from you or you paid him or to Graham $15,000, as the commission: did you pay Phillips $15,000? A. Yes, it went through my hands.

Q. You paid him that or the bank paid it for you? A. Yes.

Q. And you say you do not know who he was acting for? A. No, I could not tell you who his people were.

Q. Did he never tell you? A. I do not remember; he was busy at the time; he was away pretty nearly all the time until the deal went through; I did not see him at all.

Q. I see there is a provision in this agreement of yours that you were to pay Graham the said 50% commission? A. Yes.

Q. Did you ever run across Dr. Beattie Nesbitt? A. Yes, I met him.

Q. Did you ever try to sell him the property? A. No.

Q. You really had not anything to do with making a sale to him? A. No, all I had was the owners; if the deal went through the owners were to give me 10%.

Q. What did you do with your $15,000, keep it all? A. I did not keep it very long.

Q. Had Phillips any connection with Dr. Beattie Nesbitt? A. I could not tell you.

Q. You might not, but did you suspect, did you think he had? A. Well, I did not know; they went to the property together.

Q. Had you an option on the property from the owners yourself? A. No, Mr. Hodgins.

Q. Where is Phillips now? A. I think he is in Haileybury.

Q. What is his business, mining engineer? A. Yes, he has followed up that as far as I know of it.

Q. What was the sale price of the property $300,000? A. I do not know what the sale price was, but according to the commissions that was placed to my credit, it would be $300,000, at 10%.

MR. COMMISSIONER: When did you first see Phillips about it? A. It would be I should judge two or three months before the deal went through.

Q. What was Phillips doing, interesting men to sell the mine? A. It looked to me that way.

Q. Surely you must have known what he was doing; was he trying to sell to some one? A. He went down to the property and I suppose he examined it and got a report on it and went away.

Q. Was he the man that was trying to sell it and was earning this commission? A. I cannot tell you that.

Q. You did not earn it? A. I thought when I loaned the money—

Q. Loaned the money what for? A. He was reporting on it and apparently to me, trying to get some one interested.

Q. Trying to get somebody to buy? A. Yes.

Q. And you lent him $375 and you and he were to divide the commission if the sale was carried out, is that it? A. Yes, that is about the way.

GEOFFREY T. CLARKSON, Recalled:

MR. COMMISSIONER: You prepared a series of statements as to the position of the bank, commencing, the first of them, as of the 30th November, 1906? A. I did.

Q. And then at the end of each year down to December 19th, 1910? A. Yes.

Q. You have placed in front of it a memorandum which explains what these statements are, and how far they are accurate? A. Yes, sir.

Q. Is that statement correct? A. My memorandum?

Q. Yes? A. Yes, sir, it is.

Q. Then these show that on the 30th November, 1906, there was a deficiency of $45,771.84? A. That is correct.

Q. Is that made up practically of the preliminary expenses? A. Yes, sir.

Q. By the end of the year that had increased to $65,252? A. That is correct.

Q. And by the end of the next year to $221,801? A. Yes.

Q. To the end of 1908 to $591,870? A. Yes.

Q. The end of 1909 $904,536? A. Yes.

Q. The date of the failure of the bank the deficiency was $1,272,686? A. Yes.

Q. I think you put in a statement showing how much the various sources of loss, that is in is it not? A. Yes, that is in there.

Q. Is it not in independently of this? I thought we had a statement showing? A. There is a report I made in the beginning which contains these items with some slight differentials as the result of the evidence as has come out here.

Q. That statement shows what was lost in the running expenses of the bank, assuming they had made no bad debts at all? A. Yes.

Q. That is one item? A. Yes.

Q. Another shows what they had lost in bad debts? A. Yes, there is a summarized account and a detailed account I produced here.

Q. It shows with reasonable accuracy how this large deficiency came about? A. It shows with reasonable accuracy within a few thousand dollars.

EXHIBIT 89: Statements of affairs December 31st, 1906-7-8-9-10 re Farmers Bank.

MR. HODGINS: We have a statement book from you, and from time to time we have marked some of the pages in it? A. Yes.

Q. In consequence of any of the evidence that has come out here, is there anything to bring it up? A. There are a few thousand dollars, and I changed the last page in that book to agree with this (the last page of 63 to agree with Exhibit 89).

Q. There is no substantial difference? A. No.

Q. We can say these figures are correct to date? A. Approximately; it comes within about seven or eight thousand dollars; if it had come within $20,000 I should have been satisfied, but it is closer than that. I do not know that you got this account in as an Exhibit; for instance the operating losses.

MR. COMMISSIONER: I thought that was put in.

MR. HODGINS: Point out the pages.

MR. COMMISSIONER: That book is in? A. There are pages; and this morning I withdrew that last page and substituted this other.

MR. HODGINS: Page 111 of Exhibit 63, owing to what has transpired in the course of the evidence, you have made some corrections? A. I have made some corrections and they may reflect a little bit on these prior accounts preceding; for instance this $87,000 organization expenses, it will appear in here as $96,000, the difference arises out of that explanation as to the Menzie note transaction.

Q. That makes the unexplained deficiency? A. $7,700.

W. R. TRAVERS, Recalled by—

MR. HODGINS: In reference to the evidence of the witness Killoran, do you know anything about Phillips? A. J. B. Phillips?

Q. Yes? A. Yes, I know him very well.

Q. With whom was he acting in connection with the Keeley Mine? A. He was the go-between for Dr. Nesbitt and the owners.

Q. In whose interest was he acting? A. He was acting for Nesbitt I should say.

Q. Did he acquire any interest in the Keeley Mine after the deal went through? A. He certainly did. I was astonished to hear just now that he had got commission on both sides.

Q. What did he get from the side of the purchaser, Dr. Nesbitt? A. He got 110,000 shares of stock, if I remember right.

Q. He got that from out of Dr. Nesbitt's or out of whose? A. He got that out of Nesbitt's stock, or the stock that stood in Nesbitt's name.

Q. How long did he retain it? A. I think it is standing in his name now.

MR. CLARKSON: The bank sold it out and bought it in. A. They could not sell it; it is under pool.

MR. HODGINS: Since the failure.

Q. You say you were surprised to learn he got commission from the owners as well? A. I was.

Q. Did you regard him as representing Dr. Nesbitt or the mine purchasers in any confidential sense? A. I did not; to show the truth of that I would not settle with him until he brought suit or threatened suit for his stock through a Mr. Douglass in the city and Nesbitt advised the transferring of these shares to him.

Q. What did he sue the bank for? A. He claimed $200,000.

Q. On what basis? A. As the agent for the purchase of the property.

Q. As agent for Dr. Beattie Nesbitt so to speak in purchasing the property? A. Yes.

Q. Did he claim he had a bargain with Dr. Nesbitt to get that amount? A. Yes.

Q. How much did you finally give him? A. $110,000.

Q. As a compromise? A. Yes.

Q. On Dr. Beattie Nesbitt's advice? A. Yes, absolutely.

Q. Was it on his report the property was bought, the mining engineer? A. Yes, I relied on his report as far as the interest I took in it.

Q. How were you informed about Phillips, did Dr. Beattie Nesbitt tell you? A. Dr. Nesbitt introduced me to him as he told here yesterday in the Rossin House and Nesbitt had a brief report of the mine together with samples of ore, and that is the way it started.

Q. Was he employed to investigate the property? A. I understood at that time that he was sent by the owners, that he had arranged with the owners to dispose of the property; that is the way I looked upon it and I thought it was a matter as between Nesbitt and Phillips, and it was a long time afterwards before I found out that Phillips was entitled to any commission in it whatever.

Q. So far as you were concerned you thought he was acting for the owners? A. Yes, between the owners and Nesbitt I did not know what the position was exactly.

Q. You did not deem that there was any commission coming to him? A. I certainly was surprised when I heard that to-day.

Q. Commission coming to him from Nesbitt? A. I thought in the end Nesbitt had made a deal with him and Dr. Nesbitt said yesterday that I agreed to give that commission; his memory is at fault; I never promised anything of the sort.

MR. COMMISSIONER: What was his statement, that you agreed to it or you consented? A. His statement was at the Rossin House meeting that I had told Phillips that I would give him a commission.

Q. Oh, yes; that you had volunteered that? A. Yes.

MR. HODGINS: When you first met him you thought he was acting as a go-between between the owners and Dr. Nesbitt? A. Yes, I thought Nesbitt had employed him in connection with the deal or the owners had; I did not make inquiries.

Q. When did you learn what his real position was with regard to Nesbitt? A. At the time that the $110,000 of stock was transferred; the books will show that.

Q. The property was introduced, and then there was a payment of $50,000 and there was another payment of $50,000; how soon did you learn what Phillips' interest was? A. As soon as the joint stock company was formed Phillips dropped as far as I was concerned completely out of it; I never heard of him until the time that he applied for a commission.

Q. What joint stock company? A. The Keeley-Jowsey-Wood.

Q. He dropped out? A. Yes, and never heard anything more about Phillips whatever.

Q. He cropped up before the second company was formed, the Keeley Mines Limited? A. No, I do not think the records will show that; I do not think he showed his hand till the new company was formed and a deal was under way to dispose of some of the stock.

Q. That was the Keeley Mines Ltd? A. Yes.

Q. And he showed his hand and came in and claimed? A. Then a Mr. Douglass, a lawyer, called in and said to me he wanted that stock transferred forthwith and I said I did not know anything about it.

Q. You did not know he was getting commission from the other side and did not learn it till yesterday? A. I had heard hints of it, but I never knew it to be the fact till to-day.

Q. At the time you settled with him, had you any idea he had got a commission? A. I had not; he denied it point blank.

Q. Have you gone over as you promised to go over the list of people that got loans at the early stages of the bank, having got wind of what has been done down in Ottawa? A. I went carefully over the books for two or three hours in Mr. Clarkson's office and I have made up a list, but I feel I ought to modify what I have said the other day in answer to the question whether the loans were made because I was afraid of their using the knowledge that they had. I can hardly say that to-day, but I can simply say that certain loans were made through the request of people who were intimately associated with me.

Q. What was that again? A. I say I can only say to-day that certain loans were made through the influence of people who were associated with me in the early stages such as Nesbitt and some others. I would not like to say now under oath, after going through the books that I actually made those because I was afraid of the people exposing anything.

Q. What reason had you for making them? A. Well, the reason I gave; I thought it would not be well to quarrel with them.

Q. What reason do you give now for making them? A. Simply acceded to their request, thinking it was well to be friendly.

Q. Do you mean to say now there was not a suspicion of fear? A. I cannot look on it in that light.

Q. Why did you look on it in that light the other day? A. I thought some loans that were made subsequently might have been, but perhaps I spoke a little too quickly the other day.

Q. It is not the sort of thing that any one would ever say if they did not mean it I should think? A. I can only just answer you as I feel now, and that is my feeling now, and I am put on oath, and I can hardly say I made those loans, such loans as I have made a list of through fear of exposure.

Q. What was the actuating cause? A. I just explained to you: the reason was, that, take Nesbitt for instance, he insisted or requested me to make a certain loan on which I think we lost considerable money: the early association influenced me to do it.

Q. What do you mean by the early association? A. At the organization of the bank.

Q. That is a very different thing, lending it because Dr. Nesbitt was associated with you and lending it because you were afraid somebody would make use of the knowledge? A. Quite so: that is exactly the position I take to-day, that I say I will have to modify that and say I do not say now that I made it through fear.

Q. There was no knowledge that Dr. Nesbitt could make use of without involving himself? A. He said yesterday he knew nothing about the original transactions of the bank and I say he did absolutely, that he knew all about them.

Q. What are the aggregate of these loans you made up? A. I do not know how it has turned out; I only made a list here with a few notations of losses but I really think it would not be well to publish these peoples' names.

Q. I ask you for the agregate of the loans first? A. There is about $10,000 of loans I think have turned out losses.

Q. How soon after the organization of the bank did you make these loans? A. They commenced within a few days, some of them, spread over a few months over the early part of the bank.

Q. Have they been paid or are they losses? A. No, they are losses, I do not know exactly; Mr. Clarkson could answer that; there is a loss I think of $10,-

000 in one case, $8,000 in another and $7,000 in another; and the total advances to another man were $13,000, I do not know how that has turned out.

Q. What attitude do you take about those? A. I take this attitude, that after going over these loans for me to say that I made those loans through fear of him exposing the original transactions of the bank I can hardly do that to-day; I hardly think it would have been fair to publish these names although I prepared the list.

Q. What have you made up your mind to do about the $3,000? A. I have thought that over very seriously and worried very much over it, but I do not feel disposed to change my attitude and make it public.

Q. Do you think you are justified in refusing to disclose that name and also to say that you do not think these names should be made public and I suppose that involves a refusal to give up those names? A. I have a list of the names of the loans that were made, but as for the other matter I looked upon it as a private matter and I do not feel disposed, I do not see it can do any good; if I could I would do so. As for the loans, after my statement here it will be a matter for Mr. Commissioner to say what he likes about those.

Q. What position do you take about the names? A. There are some of them I do not care anything about and there are others I think it will only cause them to rise up and say it is untrue and all the rest of it and I do not see it will do any good. Some of them I do not mind. There is the Gas and Electric Power Co., I will give you that: we lost $8,000 over that: Dr. Nesbitt was silent partner in that; am I right in that?

MR. CLARKSON: As to the loss, yes. A. There was a Poole Publishing Co., we lost $10,000 in that, that is Lindsay's doings. I do not mind those being published; but there are some other ones.

Q. You have given us the names of Dr. Beattie Nesbitt and Lindsay as being responsible for lending those two; who was the responsible for your lending the others if you say it was through associations? A. I will have to take that responsibility on myself.

Q. You drew a conclusion that in these cases where no one else was responsible—? A. One man on here whose name I do not wish to mention I asked him to be a director, and I thought it was only fair to tell him the original history, because I knew he would find it out when he got on the Board, and I do not think we ought to publish his name. I think there is some big amount that is still owing upon that.

Q. Did he decline to go on the board? A. Well, he made up his mind to go on at first and afterwards declined, yes.

Q. And in the interim did he get a loan? A. Yes, he got several loans.

Q. And has not paid them? A. I do not think. Mr. Clarkson might look at the second name.

MR. CLARKSON: No, that is not paid; that is compromised. We took a settlement: and took over certain real estate, and we will lose four to six thousand dollars on that.

MR. HODGINS: Then with regard to what others do you name anybody, you said it was through your associations that you loaned—? A. We lost a large amount of money through Mr. W. H. Hunter and the Graphite Co., that is another name on there; that has all been brought out here before; and the third name will you look at that third name, did not you lose something on that?

MR. CLARKSON: $6,000.

MR. HODGINS: I do not want any names published that will embarrass the liquidator on realizing? A. No, very likely it would.

Q. Because it is absolutely necessary he should have every chance to get all he can; there is no use investigating it at the expense of the shareholders.

MR. COMMISSIONER: Is that a personal liability of Mr. Hunter?

MR. CLARKSON: No, sir. it is a company liability. There was a time I think when it was a personal liability? A. At first it was.

MR. CLARKSON: At first, and then it was formed into a corporation, and we only hold the corporate liability now.

MR. COMMISSIONER: For how much?

MR. CLARKSON: $88,000.

MR. HODGINS: Have you given Mr. Clarkson all the information you can regarding these loans so that he may have an opportunity of realizing upon them if possible? A. I think I have been frank all through with Mr. Clarkson in every matter all the way through.

MR. CLARKSON: That is perfectly true; Mr. Travers has given me every ininformation. A. I have told him even some things that he has agreed not to make public here.

MR. HODGINS: I do not want to ask for the names if it is going to affect the realization of the assets? A. Mr. Clarkson thought that.

Q. It should not embarrass the liquidator? A. That is the way the liquidator felt with me when we were discussing the matter, when I went over those.

Q. The other matter as to the $3,000, is that the only payment you made improperly; you have spoken of that individually as if it was the only money you parted with? A. You brought that up in connection with those cheques from Ottawa, and I fell into your trap because the same question had been asked before and that is why I dwelt on that one.

Q. Are there any others that you have not dwelt on that you ought to disclose? A. No; I take the responsibility myself for anything else.

Q. There are some others, does that mean? A. I heard some evidence here that I do not agree with but I do not wish to say anything more.

Q. You are putting yourself and putting me in rather an unpleasant position; I think you should disclose that? A. I would like to, but I have made up my mind that I do not care to do it; I did feel once as I would like to have given the Commissioner the information privately and Mr. Thompson said he did not think he would receive it that way; and I thought it over again and I do not care to make it public.

Q. I suppose you are willing to take the consequences? A. I will have to take the consequences; I have been taking them all along. I do not shift any of the responsibility off my own shoulders; I should have acted entirely differently but still—

Q. I think I should ask the Commissioner to consider what is the proper course to take. A. I am quite satisfied to put myself in the hands of the Commissioner.

MR. COMMISSIONER: You see it is your duty to answer these questions and your refusal to answer them would warrant me in committing you till you do answer them? A. Yes, I quite understand that, but I do not think you would advise any longer sentence for me than I am now getting.

Q. But if you remained in contempt, that is the term that the law applies to it, until you purge yourself of your contempt; I suppose it would mean you would remain; would not it be better to tell it now and be done with it? A. I cannot change my mind on that point: it would only lead to a good deal of trouble and it would not do the slightest bit of good.

Q. A good many people are suffering as the result of the failure of this bank; would not it be well that they should know everybody to whom blame is attachable; you have received and I have received some very pitiful letters about the condition in which people have been left? A. Quite true; I dare say some people have suffered, but they are very much exaggerated; while the loss is very severe to these people, even a very small amount of deposits in the bank, they were not the complete savings of all these people; they were largely drawn by deposits from other banks where people had money, left part of the money in the other

bank behind them; however, the suffering is very great, and nobody feels it more than I do.

Q. You said something a moment ago; you dropped an observation a moment ago that may reflect upon a witness and does reflect upon some witness, is that fair? You have indicated a witness has stated something that is not the fact. We have had witnesses here who have come to free themselves from suspicions; you are casting suspicions—do you think it is fair you should leave Mr. Calvert in that position? A. I am sorry that I spoke generally, but I would rather not answer any question about it at all, if you will allow me. I do not like to start on it at all.

Q. I fancy, I do not want to persuade you, but I fancy there will be a good deal of bitterness, on the part of those who have suffered, from your refusal to answer, and are there not some charges that may yet be laid against you? A. I do not know, they have not pushed some of them. I think they took the criminal code and struck out murder, arson and rape; and then indicted me for all the rest; so that I think there is plenty of room for them to bring on some more.

Mr. Hodgins: I supposed it has not occurred to you that you ought to do your very best if money has been paid improperly to help to get that back for the sake of the shareholders; do you realize that the shareholders have not only lost what they have put in, but they will have to pay their double liability, and that the depositors won't get anything? A. I realize that thoroughly and feel it deeply, but in answering the question that you ask it would not assist the shareholders nor the depositors one iota that I can see.

Mr. Commissioner: If men have got money for improper purposes and they are worth it, it can be got back again? A. That depends; a bargain as between myself and another party, I cannot say you can look upon it as an improper one, can you?

Q. It depends upon what it was? A. I certainly paid no money out whatever in influencing the Finance Minister or anybody in his Department: that is as far as I care to go.

THOMAS S. LYON, Sworn, Examined by—

Mr. Hodgins: What is your position? A. Associate Editor of the Globe.

Q. Was it the same a couple of years ago? A. No, I was News Editor two years ago.

Q. We have been doing our best to ascertain the whereabouts of some papers that we cannot find; I have called the detectives and the Crown Officers and so on, and from something that appeared in your paper, I judge that some one connected with your staff had a very accurate knowledge of some of the documents which have been produced in this investigation which were not exhibits in the Police Court or any other Court; I would like to know if you can tell me how access was had to the papers if I am right in my assumption that some one from your office must have seen them? A. I had access to the papers myself. About a year ago, I think it was, when the preliminary hearing against Lindsay took place, some one came to the office, the name I cannot carry.

Q. Against Lindsay? A. Yes, I thought against Travers at first. Some one came to the office and told me that among these papers which had been in Court but which had not been made exhibits in the case, there were some things that might show a reason why Dr. Beattie Nesbitt was allowed to leave the country. I was interested. I took occasion when the hearing was resumed to go up to the City Hall. I saw Mr. Clarkson. Mr. Victor Ross of our staff phoned Mr. Clarkson and asked him about these papers. He said that they were in his custody for the purposes of the liquidation not for the purpose of the law, but that for the pur-

poses of the law access could be had to them at any time by the officers of the Crown. Mr. Clarkson came in to see me a few days afterwards, and we discussed the thing at some length and he on that occasion said that he had no personal knowledge that these particular papers were to be found on the files of the bank. I described the papers to him as I had a description, one of them being the letter that has since been published, by Mr. Travers to Colonel Matheson. On Mr. Clarkson's refusal to give me access to the papers I went up to the City Hall and in the Detective's office there before the hearing of the Lindsay case began these papers were on the desk. I discussed the matter with Inspector Duncan, not having special reference to these papers in the first case, but to the case generally. I found Mr. Duncan distinctly annoyed at the course followed in the case. He felt that he had been used rather roughly in being sent to Muskoka on what he regarded as a fool's errand at the time of the issue of the warrant against Dr. Beattie Nesbitt; he therefore talked rather more freely than possibly a detective ought to have talked to me, but in any event, in the course of the conversation he referred to this file of letters, and looking over his shoulder I saw these papers, that particular file.

Q. Looking over his shoulder? A. Yes.

Q. He was going through them? A. He was looking at them.

Q. You just happened to look over? A. Yes, I just happened to look over.

Q. And you took a copy? A. No, I carried it in my memory.

Q. Did you ever see this $3,000 cheque that we want to get at or any letter from Colonel Matheson? A. No, I swear positively that these papers were not on that file at that time.

Q. Were you long in the office going over them? A. Twenty minutes.

Q. And did you take any of them away? A. No, sir.

Q. And you did not make any use of your knowledge of those papers at that time? A. No, not for a considerable time afterwards.

Q. Not I judge till the article I speak of appeared during the progress of this investigation? A. Yes, sir. I felt these papers ought to become public property in some way.

Q. Those papers had nothing to do with the Lindsay charge? A. That I know nothing of; they were certainly there to be used in the Court that day. In some way or another they were brought in case they should be used.

Q. Had you telephoned the detectives to say you would like to see them? A. No, I think it was done in another way. We have a police man. I do not know just how I arranged, but I knew the papers were coming up that day; there was no collusion between me and Duncan; I do not want you to think that at all.

Q. You were just using the fact that Lindsay trial was coming up as an excuse to get those papers up there? A. No. I was not prime agent in moving that those papers come up there, not at all.

Q. You seem to have been? A. No. Well, I say I knew what was in the papers, I wanted to see them, but they were up there for the purposes of the Court; I did not induce the detective to bring those papers up for my purposes.

Q. I thought that was the inference; you had a Police Court man up there, I thought the inference was you suggested to him to ask the detectives to get these up from Mr. Clarkson? A. No, it was the knowledge that this case was coming; that was the thing that took me up to the City Hall that day.

Q. The Lindsay case had no possible connection with these papers in any shape or form? A. If they brought them up they did not bring them up specially at my definite request that I should see them.

Q. The inspiration came from you? A. Put it that way, I am quite content it should rest that way.

Q. Through your Police Court man? A. One cannot recall every detail of a transaction like that a year afterwards, but I knew the papers would be there and I wanted to see them. I do not know why they were brought; there must have

been some excuse for bringing them, you know, some excuse of the Court for bringing them.

Q. I know the particulars of the Lindsay charge, and I confess that I cannot see the slightest possible connection between those letters and the Lindsay charge? A. In that case my actions as prime mover must have been more effective than I had any idea. I want to add that the first information did not come in any sense from the Detective Office; I want to free them entirely of any suspicion that they volunteered information to me; that is not the case. I do not carry in my memory the name of the man who spoke to me, but I think it was the proprietor of one of the city newspapers gave me the first idea of the thing.

Q. You appear to have acted as an irritant on the second occasion? A. Yes, possibly.

Q. I suppose you really went there intending to see the papers? A. Yes, I went,—

Q. And used that ruse with Inspector Duncan to get him talking? A. No question.

MR. COMMISSIONER: We have been told that the papers were in an envelope; did you see them in that position? A. No, sir, on the file when I saw them.

Q. What do you mean by a file? A. Gathered together with a clip on them.

Q. Did you go through them, how were you able to see that letter from Colonel Matheson was not there unless you went through the file, A. The file was turned over in my presence and I was looking at it.

Q. What was it turned over for? A. To find that letter of Travers to Matheson.

Q. In order that you might see it? A. Undoubtedly.

Q. That is the way you are able to say the other letter was not there? A. Yes.

MR. HODGINS: I think that is all the evidence I have to present.

MR. COMMISSIONER: What do you say about the refusal of Travers to answer?

MR. HODGINS: I think Travers ought to answer the question if for no other ground than the possibility that the money may be recovered back, and I think that you ought to consider, Mr. Commissioner, whether you have the power, and in the second place if you have the power whether it should not be exercised, because if not, the result is that he has declined to answer the questions and will expect to come out as soon as his sentence is served. I think he ought to realize that he ought to make such public restitution as he can in the matter by making disclosure before he can be said to have served out his sentence. I admit it is somewhat unusual; he has the advantage of being in a position where he can safely in the meantime say that he won't answer it: it may be that if you did exercise your powers he might reconsider it and think before he comes out it would be better to be frank. It is one of the worst failures I suppose a bank has ever made and one would really like to know how it came about.

MR. COMMISSIONER: Perhaps you had better ask him some further questions to see if he answers them, and see if it is really relevant to the enquiry, how these moneys were used without giving the names, what they were used for.

MR. HODGINS: Very well.

W. R. TRAVERS, Recalled by—

MR. HODGINS: Will you indicate that, Mr. Travers? A. I could not do that without telling everything about it. How can I do that?

Q. Does that mean that they were used in such a way as you do not care to disclose the way they were used because that necessarily implicates somebody? A. Well, be the consequences what they may, I do not feel disposed to go into a few thousand dollars that I paid out to friends of mine to assist me in various ways.

MR. COMMISSIONER: From something you said it occurred to me that possibly your idea was that there would be your statement on the one side and a denial on the other? A. Absolutely there would be.

Q. In all these cases? A. Yes, sir; they certainly would deny and also friends of these people would be very savage with me.

Q. Have you no corroboration on your side of the story if you were telling it? A. The only one was that cheque; if they had not lost that cheque it might have been different.

Q. All that had upon it to ear mark it was the letter "C"? A. There would have been some other things in connection with it if the cheque had been here that I would have opened out on.

Q. Where is that cheque gone? A. I could not tell you.

Q. Whose interest was it that it should disappear? A. I could not answer that.

Q. Without telling what you do not want to tell? A. I could not. I saw the cheque, the cheque was in my hands, one of the first things Inspector Duncan noticed he brought it in front of me right away, and he says "I know what that was for" and he stumbled not on the right track but very close to it, and that is why I have such a strong recollection of the cheque being in my hands.

Q. And there is no question of the other letter? A. I had that letter in my hands since I have been in the position I am in now, I have it more than once.

Q. Would there be any connection between the two in a common desire to have both out of the way; would the person who wanted the one out of the way want the other out of the way? A. No, sir; the cheque had nothing to do with Colonel Matheson whatever.

Q. The other way on, that is one side of it; would the man who was interested in having the $3,000 cheque out of the way want the other one out of the way? A. I do not think so.

MR. HODGINS: If you saw the cheque and Inspector Duncan saw it if it were produced here you say you would open out on some other things? A. There are certain incidents that the cheque would bring out that I do not see I could get away from answering them, and the cheque is not here, and not from any fault of mine.

Q. Who was it payable to? A. That I cannot tell, without telling you everything.

Q. Would Duncan know? A. I do not know if he remembers it or not.

Q. You said he made a pretty close guess? A. He was here, you were questioning him the other day; I heard his evidence and you had the opportunity of asking him that; I don't think you did that.

MR. COMMISSIONER: We did not know what you have just told.

MR. HODGINS: I had your evidence as I understood it that the cheque was payable to yourself; perhaps you will tell me that? A. I don't care, there is no use my going into it, because if I go into it I have to make a free hand of it, and I do not feel disposed to do so at present.

Q. I want to test what you mean by saying if the cheque was here you would go into certain things, and not if the cheque was not here; what difference does it make? A. Exactly what I said.

Q. The form has something to do? A. There are certain marks on the cheque, I do not remember just what they were, that would probably have to be answered.

Q. Having seen it, you say you saw it in Detective Duncan's hands, he showed it to you and said he knew what that was for? A. Duncan showed me the cheque and said, "you gave that to so-and-so", and I said "no", and on more than one occasion he brought the matter before me and then the cheque disappeared.

Q. Was that cheque there on the two occasions in Duncan's office where he examined you when Fitzgibbon was present? A. That cheque was in the possession of the police until the papers were handed over to Mr. Lynch-Staunton because I have the strongest recollection of seeing that in the office of the Crown Attorney when Mr. Lynch-Staunton was there.

Q. What Crown Attorney? A. Mr. Baird's office.

Q. In whose possession? A. Mr. Saunton brought me up one afternoon to go over the papers with him and there was any number of papers there and I went through all these papers to see what assistance I could give him, and I saw that letter there at that time and I saw the cheque.

Q. In whose office? A. Mr. Baird's office.

Q. In whose custody? A. I could not say that.

Q. You went in there? A. They were on Mr. Baird's desk. Mr. Staunton was sitting at Mr. Baird's desk, and I went over the papers with him there.

Q. Was Mr. Baird there? A. No.

Q. Was Mr. Saunton using his room? A. Yes.

Q. And all these were spread out on the table before him. A. There was any number of papers there and they were sorting out certain papers they wanted.

Q. Who was sorting out? A. Mr. Staunton and myself and I think either Guthrie or Murray.

Q. We have not heard Murray's name mentioned? A. When Mr. Guthrie said this morning he did not remember about it, I was thinking the matter over and I remember one time I was in charge of Mr. Murray and it might have been that time I speak of.

Q. When was that, do you remember? A. That would be about this time last year.

Q. Mr. Lynch-Staunton had to prosecute somebody and then he did not do so and turned them over to some one else? A. I understood he took the papers home with him and handed them over to Mr. Guthrie off the train at the Union Station.

Q. Whose prosecution was that that they were to be used in? A. That was Stratton and Warren and some others; I do not remember just which. I spent fully an hour or two with Mr. Staunton with those papers. I cannot say whether Mr. Saunton noticed those particular papers or not; I did not say anything about them, because I knew there was considerable talk about it.

MR. COMMISSIONER: Did you leave before Mr. Staunton left the room, did you leave him there? A. Yes, I left Mr. Staunton there.

Q. With the papers? A. Yes, they were all scattered over the desk; there was nearly a basket full of them and we had some trouble in sorting out the necessary papers for the trial.

MR. HODGINS: My information is that the liquidator is unable to find any trace of something like $13,000; would the other sums you have mentioned total up to about that? A. They might, I do not know.

Q. I certainly gathered the impression from what you said that no cheque of yours would ever show anything? A. My cheque would show if we had them; if my cheques had not disappeared they would have shown $15,000 to one man alone.

Q. Which has not been mentioned? A. No, it has not been mentioned. I think Mr. Clarkson can see by the ledger where certain amounts are charged to me and credited to somebody else the same day.

Q. It seems to me you are only emphasizing what I said before that it is your duty to make disclosure so that the liquidator may have the opportunity— A. I have assisted the liquidator in all those points, he knows that.

Q. There will be nothing like public disclosure to get that money repaid or assist in it? A. They may have a chance yet, it looks that way if the money is collectable.

MR. COMMISSIONER: Does Mr. Clarkson know that $15,000?

MR. CLARKSON: No, I do not know the name, sir. I think what Mr. Travers means is this, that in any questions I have asked Mr. Travers he has always been very free.

MR. COMMISSIONER: He says that on a particular day he is charged with $15,000? A. Not $15,000, I did not say $15,000 in one particular day; I said there were certain amounts, one amount I think is about six or seven thousand dollars that I remember.

Q. Charged to you? A. Yes, and credited to another party.

MR. CLARKSON: I do not recall any particular person? A. When we went over that suit you are bringing in New York now, and I opened out and I told you that when you got into that—

MR. CLARKSON: You mean that Wishart thing? A. Yes.

Q. You told me about Wishart.

MR. HODGINS: Wishart got this money? A. Yes.

MR. CLARKSON: Travers has always told me that Wishart got a substantial amount from him.

MR. COMMISSIONER: What was that for? A. Loans to him.

Q. What was on the other side? A. Nothing.

Q. You did not give thousands for nothing? A. I was very liberal, an easy mark.

Q. Why in this case? A. I do not know: I think I must have been crazy; that is the only thing I can think of.

MR. HODGINS: You must have known at the time why you gave him that $15,000? A. I gave him money whenever he wanted it.

Q. He had some hold on you or you would not have done that? A. I am sorry he did not appear here; I understood there were negotiations under way to have him appear; I am sorry he did not turn up.

Q. You are not doing much to supply his absence? A. What good will it do? I cannot remember the amounts. I remember that one. I would like to have heard what he has to say here first and then perhaps we might have proved something.

Q. He had every opportunity to come here and he would probably have to stand his trial? A. He published his story in the papers.

Q. You indicate $15,000 was paid to him improperly? A. Probably $20,000.

Q. Improperly? A. Yes, I think we will be able to prove that.

Q. Either for some hold he had on you or some improper purpose? A. Yes, absolutely.

Q. Will you tell us what it was? A. No, I am not going any further than that just now.

MR. COMMISSIONER: Don't you think you had better have Mr. Dewart here? Mr. Hodgins has made what I understand to be a formal motion to make an order to commit you to close custody until you answer questions which he has put to you; don't you think it would be well to have Mr. Dewart here when we resume or as soon as possible? A. I do not think that I need any counsel for that; if you feel disposed to do that I must take my punishment.

Q. You will change your mind some day? A. I may change my mind, I wouldn't say I wouldn't, and I am very sorry indeed to refuse you.

Q. Do you want it to be understood that this is loyalty to the man or the men that you had dealings with? A. I do, indeed. I think I gave my word of honour that come what may I would never disclose and I do not feel disposed now to go back on it.

The Commission adjourned at 1 P.M. to 2 P.M.

The Commission resumed at 2 P.M., June 28th, 1912.

MR. HODGINS: I asked Mr. Dewart to come up, although Mr. Travers said he did not want any one.

MR. COMMISSIONER: (To Mr. Dewart). Mr. Hodgins sent for you he says in consequence of something that he says occurred this morning, as you are acting for Mr. Travers. Some questions have been put to him as to a cheque for $3,000, the person to whom it was paid and as to other moneys that were paid out, the bank's moneys improperly to other persons. He has declined to make any statement and says with regard to some at all events, if not all of them, that he promised he would not disclose. Mr. Hodgins has made an application to commit him for contempt in declining to answer, and I suppose the object is that you may be here to know what is going on.

MR. H. H. DEWART, K.C.: Very well; do I understand that Mr. Hodgins is pressing the motion to commit for contempt now?

MR. COMMISSIONER: He has made the motion.

MR. DEWART: As far as Mr. Travers is concerned I understand that this $3,000 was up for consideration some time ago and Mr. Travers asked to have an opportunity to consult me and he did so, and asked me what his duty was in reference to it. I told him that if the payment of the money or any other money related to questions in connection with the organization of the bank, or the payment to anybody in connection with the organization or with the securing of the certificate or any payment of a character that affected the solvency of the bank as regards some other person being a payment made improperly to another person, that it was his absolute duty to answer it; but he declined to tell me who the money had been paid to and I do not know. I say that with the utmost frankness, because he has never indicated to me, but he assured me that this had nothing to do with any of the lines that I had directed his attention to.

MR. COMMISSIONER: He has made the statement on oath that it went to nobody in connection with the issue of the certificate, no one in the Department or connected with the Finance Department, he has limited it to that.

MR. DEWART: I did not understand him to have so limited his statement. I understood him to say it had no connection with the granting of the certificate, and as having been his counsel in the previous proceedings, although perhaps I am not in the same position now as his counsel, yet I felt that having acted for him before when he asked for my advice, I should under all circumstances give him such advice as I could; and he has pleaded guilty to the taking of certain sums and to the full responsibility to the taking of those sums; if those were personal matters of his own I did not feel as counsel I could advise him to go into the details further.

MR. COMMISSIONER: In what sense personal?

MR. DEWART: If he had used moneys for his own personal benefit.

MR. COMMISSIONER: It may be so, but I do not understand him to suggest that.

MR. DEWART: I must confess I so understand the matter and I thought under those circumstances he might not fairly not further be put upon the torture rack of going into the details of what he had done with the moneys he got.

MR. COMMISSIONER: Did you understand that, Mr. Hodgins?

MR. HODGINS: No, he never made any suggestion of that kind.

MR. COMMISSIONER: I do not know that anything would be gained; he has been asked about money he put into various things, the place at Maitland and the horses and that sort of thing and he has answered as to that; he has not suggested there were loans made to friends but he has given the impression to me at all events that they were sums improperly withdrawn from the bank and paid out for some other corrupt purpose.

MR. DEWART: I did not so understand the evidence from anything I saw or from what Mr. Travers said to me; I did not understand there was any suggestion he had made any of these payments for corrupt purposes, and rather he took the responsibility of having made those payments, although he may have withdrawn the money improperly from the bank, but there was no suggestion of its being withdrawn for an improper purpose as far as the bank's business is concerned; that is the position he has steadfastly taken with me.

MR. COMMISSIONER: He has left one matter in a very unsatisfactory state for one man that has been examined here, examined twice; he came for the purpose of denying that he had anything to do with the $3,000 cheque; and some statements have been made by Mr. Travers to-day that seem to indicate that he would contradict that statement if his lips were not sealed; he has not said so in terms, but if it is not so in justice to the gentleman who was examined yesterday it ought to be so said, I think.

MR. DEWART: I understood that Mr. Travers—I don't know what he said to-day, but my learned friend was good enough to give me an opportunity of looking over the evidence and I did so; it was rather voluminous and I must confess I do not remember finding anything that indicated that there was any suggestion on his part that any of these payments were made corruptly.

MR. HODGINS: What did he mean by saying it was not paid to anybody in or connected with the Finance Department?

MR. DEWART: My learned friend will readily understand that there might be other reasons for limiting this statement; he did not want to go into the details of his own personal affairs.

MR. HODGINS: This is the third or fourth time it has come up and I am quite sure he has had every opportunity of making an explanation to remove the impression he undoubtedly created, so much so that a witness who was here yesterday said he had not participated in it.

MR. COMMISSIONER: That was not in consequence of anything Travers said; that was in consequence of something that appeared in the World.

MR. DEWART: I did not understand him to refer to Mr. Calvert.

MR. COMMISSIONER: But to-day the thing is left in such a position that any man who was an enemy of Mr. Calvert might say he indicated if he could speak he would deny what was said yesterday.

MR. DEWART: I think I understood Mr. Travers to say that if any question was put to him as to whether the $3.000 cheque had gone to any particular individual he was quite prepared to answer it, and if there is any such question put now it is for Mr. Travers to say if he is prepared to answer that.

MR. HODGINS: If you are suggesting that this was a perfectly personal matter of his own that is an idle suggestion. The suggestion was that this was used in connection with the certificate, and to say any one could possibly know all his private affairs and ask for A. B. and C. is absurd.

MR. DEWART: I have not the remotest idea to whom the cheque was given, but Mr. Travers told me that if a specific question was put to him with reference to certain persons—as I understand the particular object of Mr. Hodgins question

now is the fact that some person has said certain things and, as the Commissioner says, unless that is contradicted it might reflect upon somebody—

MR. COMMISSIONER: No, not what that gentleman said, but that something that Travers said to-day may lead people to think that he would if his lips were unsealed, contradict that statement. Mr. Calvert came here yesterday and swore he had got no money directly or indirectly; he had nothing to do with the $3,000 cheque. Mr. Hodgins was discussing the cheque with the witness, and he made an observation that led me to think at all events that he insinuated that that statement was not true; he did not use any person's name, but it is so easy to hurt a man by innuendo.

MR. DEWART: I do not know, I have had no opportunity of seeing Mr. Travers.

MR. COMMISSIONER: Would you care to confer with him?

MR. TRAVERS: Would not you allow me, Mr. Commissioner, to rectify that. I think there is a misunderstanding, because I never intended any such thing. I do not wish you to infer that Mr. Calvert was not telling the truth yesterday. If I did so, I certainly did not intend to do so.

W. R. TRAVERS, Recalled:—

MR. COMMISSIONER: What do you say about that $3,000? A. I did not pay it to Mr. Calvert, no.

Q. Had Mr. Calvert directly or indirectly anything to do with the cheque or the receipt of the proceeds of it? A. Not as far as I know.

Q. Why do you say as far as you know? A. Because I did not pay it to Mr. Calvert and did not have anything to do with him in respect of it, or any words in regard to it.

Q. Did you hear he was to receive any part of it? A. Not reliably, no; I cannot say anything more than that; I never had any talk with Mr. Calvert on money matters in any shape or form.

Q. Don't you think you had better tell us the exact truth about that $3,000 cheque and get done with it? A. I do not care to do it; I am sorry for myself.

Q. What do you think of the suggestion that you and Mr. Dewart should confer and see if there is anything that he thinks you ought to say in justice to anybody? A. I will confer with Mr. Dewart.

Mr. Dewart and Mr. Travers confer.

WALTER DUNCAN, Recalled by—

MR. HODGINS: Mr. Stewart Lyons of the Globe was a witness this morning and he said that he had had an interview about the time of the Lindsay prosecution in your office, and that he saw a file of papers there which you went over while he was looking over your shoulder, he said a good deal more than that, but that is enough for the first question; do you remember that circumstance? A. No, I do not remember. It is quite possible; they come into my office three or four times a day or oftener, the reporters, sometimes half a dozen at a time.

Q. He said he found you very much annoyed at your having to go to Muskoka on a wild goose chase, and you possibly talked more freely on that account than you otherwise would have done? A. I cannot recollect it; I know that I went

to Muskoka and was on a wild goose chase up there, at least I did not accomplish what I went after, and it is quite possible I had an interview with the reporters.

Q. This is Stewart Lyon, the associate editor of the Globe: he also said that you went over this file practically as I understood from one end to the other so that he could see all that was contained in it, and that he saw a letter, a copy of a letter which was supposed to be sent to Colonel Matheson, saw that in the file and remembered the contents so sufficiently well to publish a pretty good facsimile of it later on: that interview with him is not one you would confuse with the interview with a reporter? A. It is quite possible he may have been there; I have not any recollection.

Q. He also suggested that in answer to my telling him that I thought the papers he saw had no connection with the Lindsay case, that they had been brought up to your office from the liquidator's office, he was not very clear how or why, but he thought he had had something to do with it? A. No recollection whatever.

Q. He has a very distinct recollection? A. Probably he would have a better recollection than me. There was such a confusion about the time those papers were seized.

Q. This is long afterwards, Lindsay was tried a considerable time afterwards; Lindsay went away, you know? A. Yes, I remember.

Q. This was when Lindsay was being tried after he came back if Mr. Stewart Lyon is right? A. I cannot recollect him being there.

Q. You see he gives you certain facts that might recall it to your memory? A. I cannot say he was not there, I have no recollection of it.

Q. No recollection of talking freely to him about Muskoka? A. At the time that Beattie Nesbitt cleared out I know I gave an interview when I came back from Muskoka, but that was at the time just immediately after Dr. Beattie Nesbitt left Toronto.

Q. Is that all you can say with regard to what Mr. Lyon has told us this morning as to his interview, he certainly saw the papers? A. I do not know what I would be doing with the papers there: if I had anything to bring it back to my recollection; I don't see what I would be doing with the papers.

Q. Do you remember seeing Stewart Lyon about the time that Lindsay came back and was being prosecuted? A. I cannot say that I do: he may have been in there in my office and I may not remember it: I am kept pretty busy there, and since Lindsay was arrested I have had about eight or nine thousand cases.

Q. Is Stewart Lyon a frequent visitor in the Detective office? A. No.

Q. Cannot you remember it? A. I do not remember it; it is quite possible he may have been.

Q. Would you show him papers if that be so, or let him peruse them over your shoulder? A. Was it the papers pertaining to the Lindsay case?

Q. No, it was papers in which a letter written by Travers to the Provincial Treasurer Colonel Matheson in which Travers spoke of the promise to get deposits through Dr. Beattie Nesbitt and the World, he said he saw that one there? A. I have not any recollection of it.

Q. He said they were in a file and were turned over? A. That undoubtedly would be right, because all those papers were on a file pertaining to that; that is quite right about the file.

Q. You have no further recollection? A. No.

Q. Not able to say whether what he tells us occurred or not as far as you know? A. The papers had been out of my possession and I got them back, and then they went out of my possession again and I got them back, and then Detective Guthrie had them, this particular file—

Q. I am not interested in the general question, just this particular interview? A. I have not any recollection.

Q. Another matter, Travers says that when you first examined him, you remember having a couple of interviews with him in your office? A. Yes.

Q. When Fitzgibbon and yourself and I think Mr. Clarkson were present, the interviews were taken down in shorthand? A. I do not think that was in my office, it was down in the bank.

Q. You were there? A. Yes.

Q. He said that this cheque for $3,000 which has been mentioned was picked out by you and you looked at it and said "I know who got that" or "I know who you gave that to", and you mentioned a name, and Travers said no, it was not that: he said you were so near the truth that it made him rather uneasy, he was afraid you would find out more about it. That cheque has disappeared; do you recollect the circumstance? A. I do not recollect that in the bank. I remember about the $3,000 cheque and I remember asking Mr. Travers about it and he refused to tell me who it was, and I did mention a name to him.

Q. When was that done? A. I do not remember whether that was in my own office or whether it was down in the bank premises. Mr. Bicknell was present and Mr. Woods, and possibly Mr. Clarkson at that interview. I think there was a gentleman there, Mr. McAndrew.

Q. Do you remember the cheque? A. I remember a cheque for $3,000 and my recollection was there was "C" either on the stub or on the cheque.

Q. Who was it payable to? A. That I cannot remember.

Q. Who was it endorsed by? A. I do not remember that.

Q. That cheque ought to be forthcoming? A. There is no doubt whatever as to that.

Q. I have exhausted I think pretty nearly everybody who has had access to that? A. I cannot understand where it could be; it ought to be in Mr. Clarkson's possession.

Q. I have had all the papers Mr. Clarkson has and gone through them carefully? A. Because all the cheques that I had went back, and I do not think any one would have stolen it out of my custody.

Q. Was it used in any of the prosecutions? A. I do not think that it was.

Q. Why not? A. I am only speaking from memory, I do not know that it was, but my impression is it was not.

Q. You evidently suspected that money had gone somewhere where it should not have gone? A. Undoubtedly; I got a little information and I challenged Travers with it and he denied it.

Q. Was the matter laid before any of the Crown officers? A. It was talked over I think with Mr. Corley.

Q. You were never able to learn anything about the destination of the money? A. No, I was not.

MR. COMMISSIONER: What name was it you mentioned? A. Calvert.

Q. Why do you say you had information that led you to think it was he? A. Some one intimated to me that he had got some moneys from Travers, and I saw the letter "C" and of course that bore that out to a certain extent, and I asked Travers about it and he denied it.

Q. Did he say anything to you about you were near to it? A. No, he said this, if you mention the right name I will tell you who got that cheque, and he said "or, if you prefer a criminal charge against any other person I am quite prepared to tell the truth about it".

Q. As I understand Mr. Lyon's testimony, either through his Police Court reporter or somebody else, he learned that you had in your possession these letters about the deposit with the Provincial Treasurer and that he went over for the purpose of getting access to those and seeing them, that he found you there angry because you had been sent upon a wild goose chase, and if I recollect right he said that he asked if something that was in the file had not to do with your having been sent on a wild goose chase, is that accurate? A. I think he is mistaken as far as that, I have not any recollection of having an interview with him.

Q. It is a fact that you were annoyed and made statements that you had been sent on a wild goose chase, the authorities knowing or having warned Nesbitt that you were coming: did you make a statement of that kind? A. I made a statement I think along that line when I came back, but that was the time that Dr. Beattie Nesbitt cleared out.

Q. What foundation had you for making that statement? A. I had applied for a warrant for Beattie Nesbitt some two weeks before he cleared away.

Q. To whom? A. To the Crown Attorney, and was refused it.

Q. On what ground? A. I was refused it on the ground that he had a right to say when a warrant could issue and the police could not apply for a warrant and I could not get one. I reported the facts to Colonel Grasett, who brought the matter up at the Board of Police Commissioners and then I was sent up to interview Mr. Cartwright with regard to the powers of the City Crown Attorney and Mr. Cartwright told me, I said he might put it in writing—he told me verbally first, and I asked him to put it in writing,—the powers under which warrants should issue, and he laid down that of course it was the privilege of the Police Magistrate or Justice of the Peace to issue them on any citizen going and making complaint under oath that an offence had been committed. As soon as we got that from Mr. Cartwright, I immediately had a warrant issued for Nesbitt's arrest.

Q. By a Police Magistrate? A. Yes, Colonel Denison I think the warrant was sworn before and I at once set out to try and get him apprehended. I found on going up there nothing but his tracks through the snow.

Q. He had gone? A. Yes.

Q. It seems a little singular that Mr. Lyon should have gone to see you on this particular business, should be as specific as he has as to the file being turned over in his presence apparently—I should think the inference I would draw—in order that he might see what was in it without your having handed it to him, and that you should have no recollection of that? A. I cannot remember him, I do not remember Mr. Lyon speaking to me.

Q. It just occurs to me that Mr. Lyon may be mistaken as to the time, because the irritation you would have had would have passed away, one would have thought, by the time Mr. Lindsay came to be tried? A. Yes.

Q. The irritation was at the time you came back, but I understood him to say that he thought it was about the time of the Lindsay trial. He says also which differs from what you have said, unless it was on a later occasion, that there was no letter from the Provincial Treasurer to Travers or to the bank in that file; what do you say to that? A. My recollection was that there was a letter from Colonel Matheson.

Q. You would know whether there was or not, it would not be a question of recollection? A. I would not swear positively that there was or not; my recollection is that there was a letter.

Q. Did you read all the correspondence? A. I did not.

Q. None of it? A. I read some of it.

Q. You apparently read the letter from Travers to Colonel Matheson, were not you curious enough to read the reply? A. I may have; there was a lot of talk with regard to this file of letters, and I said to one of the Crown Attorneys there is not sufficient I think that we can proceed in any case, and he said "Let me have the letters", and he took the letters away, and of course I do not know what was on the file when they went away, I do not know what when they came back; I did not take an inventory of what was on the file, and I said that there was nothing that I could see whereby we could reach the World Newspaper with a criminal charge.

Q. When did you read the copy of the letter from Travers to the Provincial Treasurer, when it first came into your possession or later? A. I believe it would be soon after it came into my possession.

Q. Do you want me to understand you read that and did not read the answer? A. I would not like to be too positive, for I have only a hazy recollection of it, and it was a matter that I dropped entirely, because it was not one that we could lay any charge, and of course the letters would be of no interest to me.

MR. HODGINS: In your evidence on the former occasion you were asked, "do you remember seeing the letter from Colonel Matheson", and you said "that is my recollection, but Detective Guthrie would remember more clearly than I would"? A. He was more familiar with the papers than I was.

Q. A little later: "You gave me quite a number of those"? A. That letter of Matheson's ought to have been on that file. They disappeared in some way and could not be found for some considerable time, the whole of that file; I did not have them, and it was said that they were likely to make use of some of them at some of the elections, either the Dominion or the Provincial elections, and I think Mr. Clarkson sent up once to me for them, and I made a search for them and did not find them, but they turned up afterwards".

Q. "You handed them to me when this commission formed? A. Yes".

Q. And I stated I opened them myself and there was no letter of Colonel Matheson's among them. Your recollection then was that there was this letter of Colonel Matheson's in the file? A. That is my impression that it should have been in that file.

Q. I have seen detectives swearing out informations and getting warrants at the Police Court without ever consulting any Crown Attorney or anybody else; why did not you make the attempt? A. The Police Court Clerk would not draw the warrant without a fiat from Mr. Corley, and Mr. Corley refused to issue it.

Q. What about the Magistrate? A. Colonel Denison was not consultated; I simply reported everything I did to Colonel Grasett, my superior, and he discussed the question with the Magistrate afterwards, with the result I was sent up to the Department.

MR. DEWART: Mr. Travers desires me to state that in anything he said today he had not the slightest intention of referring to Mr. Calvert or that he wanted to contradict anything that Mr. Calvert said. He finds he has been so often contradicted by other witnesses on other points, that he prefers not to make the statement, because he does not want to make a statement simply because there might be two contradictory witnesses against himself, and he might be prosecuted for perjury, and under these circumstances he has, having advised him as to what his position is, declined to answer under the provisions of the Evidence Act.

MR. COMMISSIONER: The Evidence Act does not protect him from a prosecution for perjury in the statements he makes; he has no privilege.

MR. DEWART: Sometimes when a man is in custody he has more privilege than when out.

MR. COMMISSIONER: When a man is under sentence unexpired for some years he has more privilege.

MR. TRAVERS: I am not taking advantage of that.

MR. DEWART: No. Mr. Travers wants me to say further that these moneys that were paid came out of commissions to which he was entitled under his agreement and therefore are not matters with regard to which he feels so far as the bank is concerned, he or anybody else was liable.

MR. COMMISSIONER: Although I have not to pass upon any questions of law, there may be very serious questions of law as to whether these commissions were properly paid out of the bank money. What I am anxious to avoid, one of the things I would like to avoid, I would not like that anything that Travers had done

here should militate against him hereafter. Supposing some question arose about remission of part of his sentence, the fact that he had refused to give this information would probably be a bar to anything of that kind being effected—I am not suggesting that it is possible any such application would be successful. Then there are other prosecutions hanging over him and I pointed out to him that people are feeling very sore about the way their money has been lost, and they may press some of these other prosecutions in their bitterness. Some very bitter letters have been written to him that he handed in to me, not so bitter to him, but very bitter letters have been written to me and I have no doubt to Mr. Hodgins.

MR. DEWART: I am sorry that the suggestion should come from you that possibly some statement he might make might aid in the remission of his sentence.

MR. COMMISSIONER: No, the suggestion is that his non-disclosure might prevent.

MR. DEWART: I hardly expected the suggestion should come from the Court. It has come to me so frequently from other sources, and it has been so persistently pressed upon him by those who desired him to make statements in their interest, that I am sorry it has come to be—

MR. COMMISSIONER: I cannot help your sorrow or your gratitude: I made the statement and I think it is a very improper thing for you to make any comment on it.

MR. DEWART: All I can say is this, that the letters have been presented before the Court; they show sufficiently the kind of influence that has been brought to bear upon him by every class of person to endeavor to get him to make some statement that would be in their interest.

MR. COMMISSIONER: I do not think I have seen any.

MR. DEWART: I thought some 20 or 30 letters were laid before you.

MR. COMMISSIONER: Yes, I saw some 17 letters but they are all guarded by saying, "we do not want you to say anything but the truth".

MR. DEWART: But the suggestion is very strong. I have been asked to take briefs in this matter which will bring influence to bear in Mr. Travers' behalf, and it was suggested by a gentleman here yesterday, at the instance I believe of Mr. Laidlaw, that if I took the brief on behalf of the depositors and so on, that their influence might be very influential on Mr. Travers' behalf. I have refused to discuss the matter with the gentleman that came to see me; I have declined to discuss such matters. I do not know what his reasons are for not giving this evidence. I know he has declined to give it and declined to communicate with me in regard to this matter, and if he takes that second stand I cannot esteem it within my duty to advise him to take any other.

MR. COMMISSIONER: If he wants to make any explanation as to what he is supposed to have stated about Calvert he can make it now.

W. R. TRAVERS, Recalled:

MR. TRAVERS: All I have to say is I did not intend you to infer that I alluded to Mr. Calvert. I am sorry you did think so, because I have no reason for thinking or knowing that Mr. Calvert had any interest in that $3,000 whatever.

Q. You made a statement a little while ago that Inspector Duncan mentioned Calvert's name: you said he was pretty close to it? A. He did not mention it that way; I do not wish to put words in—

Q. That is what you said? A. Yes, I said so, but I say Mr. Duncan did not mention Mr. Calvert's name in that way: he mentioned it in another way, which brought it in; he was on the wrong track, and I did not wish to set him right. That was his first conclusion, but it was not for me to correct him.

MR. COMMISSIONER: Well, I suppose that is all there is. Don't you think in view of what Inspector Duncan has said Mr. Corley ought to be called.

MR. HODGINS: In reference to the warrant?

MR. COMMISSIONER: Yes, what the reason was.

MR. HODGINS: Well, it may be just as well; I am trying to communicate with Mr. Lynch-Staunton.

ARGUMENT.

MR. HODGINS: Mr. Mikel and Mr. Weldon represent the depositors in this case, and I notified Mr. Mikel and Mr. Weldon and Mr. Laidlaw that to-day would probably be the final sitting, and if they had anything to say that this would be the time to do so. Mr. Mikel says there are one or two matters he would like to bring before you. Mr. Laidlaw's letter I think I showed you; he has left for England and did not propose to address the Commission.

MR. COMMISSIONER: It is a little unusual hearing counsel, but I do not want to refuse if any light can be thrown, but there is no use discussing any question of law with me—I see some law books—I have nothing to do with the law, I have simply to report the facts, and if Mr. Mikel or Mr. Weldon think they can be of assistance I shall be pleased to hear them.

MR. MIKEL: I had no intention of addressing you in reference to any conclusions that might be drawn upon the evidence at all, but simply to ask if findings were to be made or if facts were to be referred to as having been given in evidence, that some of these facts that might perhaps be later looked upon favorably to the interests we represent might be mentioned in any report that, as Commissioner, you would be making. It is quite unnecessary to address you on any of the conclusions because I would not assume that the Commissioner would be drawing conclusions on the evidence, perhaps, at least I would not suppose that any conclusions such as the negligence of any particular individual or anything of that kind would be drawn, or that the Commissioner would be pointing out the exact cause of the failure of the bank.

MR. COMMISSIONER: That is what I am called upon to do; that is the very purpose of the Commission, as far as I can.

MR. MIKEL: I suppose it might be said that the cause of the failure of the bank arose from very many different circumstances, and if any particular one or more of those circumstances were to be referred to, we might perhaps deem it advisable in the interests of those we represent to ask you to include a number of items as being the cause of the failure, perhaps.

MR. COMMISSIONER: Have you been in communication with Mr. Laidlaw?

MR. MIKEL: Not for some time.

MR. COMMISSIONER: Mr. Laidlaw desired, and I have had Mr. Clarkson make up a statement showing the exact position of the bank on the 30th of November, 1906.

MR. MIKEL: That is what we have to-day.

MR. COMMISSIONER: It is one of the papers with that. There is one for each 31st of December and up to the time of the closing of the bank, showing the losses and how they occurred.

MR. MIKEL: There are some facts that perhaps would be helpful to us to have found; I might leave a statement of them with you.

MR. COMMISSIONER: I think you had better state what they are publicly and you can leave the statement as well, if you like, if it is not too long.

MR. MIKEL: If you intended to report that the cause of the failure was due to some particular circumstance or circumstances or some particular facts as

appeared in the evidence, that is a matter we might want to say something upon. I do not know, of course, whether you would limit your report or finding in that matter purely to the financial operations of the bank after the bank got started, or whether the general conduct from the inception of the organization of the bank down to the present time would be viewed. We of course feel that the entrusting of the bank into the hands of those who had the management of it was the initial mistake and that ought to appear as one of the reasons, the causes of failure.

MR. COMMISSIONER: What does that mean, that the charter ought not to have been granted by Parliament?

MR. MIKEL: It ought not to have been granted to the individuals to whom it was granted. We think an investigation at the time the charter was granted, or at least the certificate of the Treasury Board was granted, would have shown that the provisions of the Act had not been complied with: it would have shown that the persons asking for the certificate were not persons to whom such a certificate should be given, and that that was really the real cause of it, because where we find persons committing the acts that subsequent events have shown they committed, or Mr. Travers in particular, when it is shown that those acts had been committed at the time, and that a reasonable investigation would have made it apparent to the Treasury-Board that they had been committed, these facts themselves would at once have demonstrated that Mr. Travers was not a person to whom a certificate should have been granted, and having committed these acts and these offences under not only the Criminal Code but the Bank Act, having committed these offences—

MR. COMMISSIONER: What do you refer to as offences?

MR. MIKEL: Deception in reference to the payment of the money, that was an offence of course. Investigation would have established that that was committed, and when a person is shown to have committed an offence of that kind involving that deception it would be reasonable to presume that they would practice similar—

MR. COMMISSIONER: What do you say the deception practised was?

MR. MIKEL: Representing that stockholders had paid up in cash the amount required by the Act, whereas the evidence now shows that was not the case.

MR. COMMISSIONER: The Act does not say in terms about what each subscriber has paid upon his stock. That is cured in the Ontario Company's Act, made clear. However, I am not to pass on the law.

MR. HODGINS: $250,000 thereof.

MR. MIKEL: That is the amount subscribed. So that it renders it reasonably clear it is $250,000 of the stock subscribed that must be paid in.

MR. COMMISSIONER: But there is nothing to indicate that that must be paid by the stockholder himself: may not anybody pay it on behalf of the stockholder?

MR. MIKEL: My recollection of section 15 is that it is made reasonably clear. (Reads section 15 of the Bank Act). If $500,000 is to be subscribed by stockholders and $250,000 thereof is to be paid in cash, I would submit that that means that those stockholders are to pay the money, or of course some person might make a present of the money to them and they could then pay it over: the money must come as their money not as the result of discounting notes, or not by paying in their own notes. I think it is fairly contemplated it should be in their cash but not by their notes. I could easily understand that they might get the money from any source they wished as long as it became their money, and it was paid over in that way; but where they hand over the notes, which I understand the evidence in this case shows they did.—those notes were handed over and discounted so that they did not comply with the Act in paying the amount required in cash, and that is the act complained of, and there was the deception, if that is the view of the law, practised just prior to the issue of the certificate, I submit that that is one of the contributing causes. We submit it is the principal cause.

MR. COMMISSIONER: Is it any more the cause than if a man had taken a train to-day instead of to-morrow, and had been killed, that his taking it to-day instead of to-morrow was the cause of the accident? Is it not only a remote cause.

MR. MIKEL: I submit not. I do not know that the illustration mentioned is exactly in point any more than to say that if the janitor of a building hands over the keys to some person whom he knows has committed a crime of a character of robbery and is going there for that purpose, if the key is handed over the result would be the natural result, that is if there was robbery followed, it would be looked upon as the natural result of the janitor handing over the keys.

MR. COMMISSIONER: Nobody has suggested that when this bank was started apart from the payment of $40,000 out for preliminary expenses, it was not intended to operate the bank and make money with the bank for the shareholders. All this was done whether rightly done or not with the idea of enabling the bank to begin business; that was the purpose of it. What would have happened if it had not been so? If they had not got the certificate and started, the charter would have been forfeited.

MR. MIKEL: And the bank would not have gone into operation.

MR. COMMISSIONER: What would have become of the money the shareholders had paid?

MR. MIKEL: I do not know for the moment what would have been the legal result; at any rate the bank would not have gone into existence and the depositors would not have been invited to put their money into the bank and they would have been saved that loss, and a reasonable investigation would have disclosed enough to the Minister and to the Treasury Board to enable them to either prosecute or in some other way make public the methods by which the bank was thought to be organized and would have prevented it, and would have saved the depositors.

MR. COMMISSIONER: Did you follow Mr. Fielding's evidence? He made the statement that perhaps may call for some answer; if there was this fraud known to the people and to the stockholders, Parliament was sitting, the representative of the constituency was there, why was not an attack made at once? Why was not the Minister brought to book for having improperly issued this certificate? That is his argument.

MR. MIKEL: I would not undertake to justify what the Members did or did not.

MR. COMMISSIONER: Nobody did anything, the stockholders or anybody.

MR. MIKEL: The one set of men whose duty it was to do something was the Minister and the members of the Treasury Board; and they did something in the face of all this evidence.

MR. COMMISSIONER: You are starting with the hypothesis that there was something wrong and they ought to have detected it.

MR. MIKEL: Yes.

MR. COMMISSIONER: That something was wrong, the only information they had as to that was from persons who assumed to possess knowledge that the wrong had been done. If the Minister of Finance was not as careful as he should have been in probing these charges why did not those who made them, Mr. Fielding suggests, probe them on the floor of Parliament, challenge what had been done.

MR. MIKEL: They may have a good explanation, and I do not know that our contention would be weakened by their being able to give that or to suggest a reason why they did not do it; but at all events it would not relieve the man whose duty it was to do it, nor it would not relieve the Board whose duty it was to do it. These men, Sir Edmund Osler and Mr. Henderson brought to the Minister's attention the facts they had. They may have felt that they had done all that could reasonably be expected of them, and there was no duty cast upon them by statute or otherwise to do even that, but there was a duty cast upon the Minister by the Statute.

MR. COMMISSIONER: No, that is not the force of Mr. Fielding's position. Mr. Fielding says they did not tell him what they say they did, and to confirm his statement he advances that argument, if they had told him what they say, and he had in defiance of it issued the certificate why was not he attacked in Parliament, because it was when Parliament was sitting.

MR. MIKEL: I do not know why they did not attack him in Parliament.

MR. COMMISSIONER: What were the shareholders doing all these four years?

MR. MIKEL: I suppose that they were assuming that the Minister had properly and legally authorized the bank to commence business and get their stock sold, and deposits from the depositors.

MR. COMMISSIONER: They knew perfectly well they were not paying for the stock according to the stock subscription. They were giving notes which they must have known were intended to be used as far as they were concerned.

MR. MIKEL: I can easily see that as to the stockholders, they were in a measure treating Mr. Travers as their agent and perhaps they would not be justified to the same extent that the depositors would be in saying we were misled. They had a right to assume that the provisions of the Act were carried out and that the Minister saw all things necessary were done, and when the Minister was notified by Mr. McCarthy, and names given to him of individuals, of persons who were said to be persons who had paid by notes instead of by cash, and who were making a claim of fraud and illegality in the organization of the bank, naturally they would expect if charges of that kind were brought to the attention of the Minister he would inquire from those individuals.

MR. COMMISSIONER: That was not the nature of Mr. McCarthy's communication. Mr. McCarthy acting with Mr. Laidlaw had brought a suit on behalf of certain shareholders to cancel their subscription and to wind up the bank, to cancel their subscriptions on the ground that they had been obtained by fraud—an individual action, not an action on behalf of the body of the shareholders, indeed it could not be. In the letter which sent a copy of the writ, if my memory is correct, Mr. McCarthy mentioned the fact that he had information that money had been raised by discounting notes of the subscribers.

MR. MIKEL: According to my recollection the affidavit of Mr. Laidlaw that accompanied the writ to the Minister also contained that statement that notes were being used in that way. The only inquiry the Minister appears to have made as the result of that was an inquiry from Mr. Travers, the man who, if these charges were true, was the guilty man, and if he was guilty enough to perpetrate these acts, naturally he would be guilty enough to try and conceal them. The Minister might have gone a step further and asked some of these individuals whose names were communicated to him in the writ and the affidavit of Mr. Laidlaw.

MR. COMMISSIONER: That would not have told him anything; that would have only told him that these people had brought a suit to set aside the subscriptions and succeeded in getting their stock taken off their hands.

MR. MIKEL: I also think that some of these names were names of men whose notes had been given and were under discount, and I think also the facts communicated go the length of showing that Mr. McCarthy was never even communicated with.

MR. COMMISSIONER: He withdrew his objection.

MR. MIKEL: He withdrew his action, but he was never communicated with to find out if there was any truth in the allegation that notes were being used in this way, no effort so far as I can recollect the evidence was made further than to inquire from Mr. Travers. We submit that if further inquiry had been made, and it was reasonable that further inquiry should be made when charges of that kind were coming up, if it had been made, it would have stopped the organization of the bank and saved the depositors from loss. We therefore submit that this is one of the causes for the failure of this bank. People who organize banks in this way commit a breach of the very Act under which they seek incorporation or seek the

right to do business, commit a breach of law, commit a crime under that Statute. It seems to me the natural presumption would be that if people commenced business in a perfectly legal and proper way that they would continue in a legal and proper way; but where they commence with deception the presumption is that they are going to continue in that way.

MR. COMMISSIONER: There has been enough crime in it without stigmatizing as crime—nothing antecedent to the issue of the certificate was in the nature of a crime that I know of, unless it was that the affidavit was false. If that was so, I suppose it is crime; but calling hard names does not strengthen the matter.

MR. MIKEL: Surely not; I am referring to that for the purpose of drawing what would be the natural inference from organizing an institution of this kind in this way; would it not be the natural presumption that that would continue?

MR. COMMISSIONER: Supposing this bank had gone on and had been a flourishing bank, had not gone into the crazy things it did, and the stock was worth $200, would not they have said Mr. Travers was one of the finest organizers, that he had got this bank on this footing by having the pluck to raise money on these notes?

MR. MIKEL: I admit that would have been the general plaudit he would have received, but it would not have mitigated at all the nature of the offence; it would have been satisfactory to those who had had dealings with the bank, but it would not have changed the nature of the acts at all, and I do submit that whenever anything may reasonably be presumed to follow from an act, the act is the natural and reasonable and proximate cause; and I think it could fairly be said that one of the causes of this failure was the manner in which it was started. It seems to me to be a reasonable conclusion and I have no doubt that the offences that were committed afterwards, or the general conduct of the business, criminal and otherwise, perhaps that was carried on afterwards contributed to it, but they were only incidents after all. It must get back to the primal and initial cause which we say was the permitting of this bank to be organized, the only safeguard the depositors have.

MR. COMMISSIONER: Why don't you go one step further if there had been no Act of Parliament incorporating the bank then there would have been no loss to these depositors.

MR. MIKEL: That of course academically might be all right to argue, but I do not think that the argument I have adduced is analogous to that position.

MR. COMMISSIONER: Is it not as much a proximate cause as is the issue of the certificate? Are not they both remote causes?

MR. MIKEL: I submit not. I submit there is a difference and I wish to press it upon you, Mr. Commissioner, and that is this, that where a proposition is started under the Bank Act legally and properly and all the requirements, all the safeguards that are required by the Act have been adopted, and it has been free from any offences and started in the regular and usual way, the presumption naturally would be that it would continue that way, and if disaster overtakes it through mismanagement that would be the cause, but where it is started wrong, where it is started by offences, where it is started in contravention of the Act and by deception and by offences I have referred to and which I have no desire to emphasize simply for the purpose of emphasizing them, but simply to show that where it started in that way it is a fair and reasonable inference that that sort of conduct will continue in the management and we know that sort of conduct did continue in the management and no doubt contributed to the loss the depositors will sustain.

MR. COMMISSIONER: Apart from applying the loan upon stock of persons who had not given notes that were discounted, the action taken was advised as legal and proper by two solicitors in this town, so we have been told, one Mr. Thomas Urquhart and the other Mr. Hunter; I think they both gave evidence to that effect.

MR. MIKEL: I recollect hearing some of Mr. Hunter's evidence, but my recollection of it is that he at that time thought he had not been sufficiently apprised

of the facts as he learned them afterwards when he gave that advice. I think that is the statement he made; whether I am correct in that or not I am not clear.

MR. COMMISSIONER: What they appeared to have thought was these notes had been given as you concede, as I understand it, with the implied authority to use them for the purpose of raising the money, that they were discounted without any liability of the bank at all—they were not discounted, the money was borrowed on the personal security of the General Manager, with these notes as collateral security; it was advised that that was a perfectly legitimate and proper transaction; that is as I understand their evidence; I am not saying whether I agree with that or not.

MR. MIKEL: That is satisfactory of course, but it does not explain the clauses in the declaration which state clearly that the money was not raised in that way and it was raised by cash.

MR. COMMISSIONER: No, you have not read it carefully enough. It was perhaps it might be called, an astute answer of Mr. Travers; he professed to answer the Finance Minister's question, but did not answer it at all. The question he was asked was whether the source was notes discounted. His answer was it was not the proceeds of any notes discounted by the provisional directors; that is where he fenced himself in.

MR. MIKEL: That does not improve matters; it simply adds to the evidence, that the party applying for the incorporation was adopting another means of deception and makes it further reasonable to presume that where that deception was being practised at the very threshold of the institution it would be reasonable to continue.

MR. COMMISSIONER: But that letter was true literally; it was true that the provisional directors had borrowed no money.

MR. MIKEL: If the Minister did not secure an answer to his question and did not get the evidence that the Act required he should get, it is all the greater reason for assuming that the Minister was negligent in that matter, and that that negligence was one of the causes of the disaster that followed. The Minister should have had a proper answer; he should have seen that the facts were made clear to him; and then there is the fact that although the organization of a bank is a somewhat unusual thing, it is not occurring every day, it is not occurring sometimes for several years, yet it was not properly and regularly brought before the Treasury Board.

MR. COMMISSIONER: That is disclosed by the evidence that is not so.

MR. MIKEL: Mr. Boville told us he had never been present at any meeting.

MR. MIKEL: Sir Richard Cartwright's evidence is it was passed around.

MR. COMMISSIONER: The evidence of Mr. Fielding is quite clear that the Treasury Board met regularly and passed it. The evidence is they met, not as they ordinarily would in the Finance Minister's office, but met as they could get a quorum together, that they did their business and then gave a minute of it afterwards to Mr. Boville; there is nothing wrong about that at all.

MR. MIKEL: I understood clearly from Mr. Boville's evidence that he had not been present at any meeting.

MR. COMMISSIONER: Of course he was not present, but they often had meetings when he was not present; his presence was not necessary.

MR. MIKEL: I can only submit the statement as I have already done so, that one of the causes for the disaster was allowing the bank to be organized in the way it was; that the Minister did not take reasonable precautions in view of the fact that he was himself suspicious, even before he had heard any reports at all he had misgivings about the bank which should have prompted a reasonable person to be more than ordinarily careful. He had the warning of Mr. McCarthy, he pointedly called his attention to the violation of the Act; no inquiry was made; and he had the names of other people furnished to him who were charging illegality against the organizer of the bank. With all these matters I submit he should have investi-

gated; and even after the certificate was given, when Sir Edward Clouston wrote him a letter which he received the day after the certificate was issued again mentioning this offence under the Bank Act, that he should have recalled that certificate; he should have asked for the recall.

MR. COMMISSIONER: How could he have recalled it.

MR. MIKEL: He could at least have written to the bank or the General Manager asking for that certificate to be returned. It seems to me there would be just grounds for him to apply to the Court for a mandamus of some description by which he would be required to return that on the ground that it had been obtained by misrepresentation.

MR. COMMISSIONER: And he would do that upon the statement in Mr. Clouston's letter.

MR. MIKEL: After consultation with Mr. Clouston if he required any further facts.

MR. COMMISSIONER: Why did not the Bankers' Association do something? They had an answer immediately from the Finance Department that the certificate had issued; why did not they do something?

MR. MIKEL: I am not here to offer any excuse for what they have or have not done, but I submit it was the Minister's duty to do that.

MR. COMMISSIONER: Does not it all tend to confirm Mr. Fielding's statement that it was all rumor, nothing solid to base it upon; these people had not information; it was just gossip; that is his position.

MR. MIKEL: Yes, but when he has rumor coming from not idle sources, not street gossip, but coming directly to him from responsible people well known people, who could have been approached with little trouble, and had the matter sifted to the bottom, and as subsequent facts show if he had taken a little trouble, exercised that little reasonable care and sifted the matter to the bottom, with very little effort he would have saved all this, and have saved the loss to the depositors. He did not choose to do that. He chose to treat it as common street gossip, I suppose, and of no importance, notwithstanding the source from which it came. Was it reasonable? We submit it was not reasonable, that he should have done so. This rumor added to his own misgivings, his own suspicions of the institution—

MR. COMMISSIONER: That is not the effect of Mr. Fielding's evidence at all. Mr. Fielding's evidence was it was not a strong bank, he thought it was not advisable for farmers to go into business of that kind; they had had two chances to establish their bank and they had failed, and he thought they ought not to get a third chance.

MR. MIKEL: That suspicion he had as to the possibility of its organization—

MR. COMMISSIONER: That farmers ought not to go into banking business, that was his—

MR. MIKEL: That should have prompted a reasonable person to be more careful in the organization of the bank, to take greater pains to see that every safeguard provided by the Act at least was fully complied with for the protection of the people who were invited to put their money into an organization of this character. I feel certainly that that is a proximate cause. I realise that a man starting a bank properly and regularly and honestly without any deception, without any improper conduct whatever, might meet with disaster, and the bank fail; but when we find the same kind of conduct that was practised in the organization of the bank, practised later on and producing the results, I submit it can be related back to the original cause and treated as a proximate cause or one of the causes. There are many things that arise from several causes, and it may not always be easy to say which is the more to blame; but at all events I submit that should be found as one of the causes if you feel it necessary or proper that the cause of the failure should be fixed as an absolute fact as a result of the evidence we have got. I did not anticipate that that would be the result, but if it is to be fixed as an absolute certainty beyond all question as to what the real cause was, the only cause or certain causes,

then I submit that should be included as one of them; and I do not know whether, as Commissioner you would deal with any question of negligence at all in the matter, but I assume perhaps you would not be drawing any conclusions of that kind. If you are, I submit that the Minister clearly neglected the provisions of the Statute; he did not take ordinary means; he did not take the kind of means that a member of a Municipal Council would take to satisfy himself; a Municipal official or a member of a council who would overlook matters of that kind and treat them as lightly as that, by which loss arose to his municipality would practically be drummed out of public life in his municipality.

MR. COMMISSIONER: Where do you live?

MR. MIKEL: In the good old County of Hastings, where we certainly do get after members of municipal councils who overlook even much smaller things involving much smaller issues than launching an institution that is going to invite depositors to put their money in on the assertion that everything the Bank Act requires as a guarantee for them has been carried out and carried out before a Minister who is supposed to be more conversant with these things than the ordinary individual, and by a Board composed of men who have superior experience and knowledge and capacity to deal with things of that kind. I feel it would almost look like Justice without her sword if depositors under these circumstances could not find some place within the four corners of the British North America Act by which they could be protected and their rights and interests dealt with in a way that would make good to them a loss such as this. I believe if the Crown could be sued, if it was possible to sue the Crown, that an action for negligence could be established.

MR. COMMISSIONER: Have you applied for a fiat?

MR. MIKEL: No.

MR. COMMISSIONER: Perhaps you had better.

MR. MIKEL: I am perfectly convinced—I doubt if any power short of an Act of Parliament could authorize a fiat to sue the Crown as represented by the Dominion Government.

MR. COMMISSIONER: I do not know: if there is a cause of action—

MR. MIKEL: I know of no provision in any written statute that would authorize the Dominion Cabinet to issue a fiat to bring an action of this kind. There are some particular Acts that authorize it, but I know of no existing—

MR. COMMISSIONER: If there is any cause of action against the Crown a fiat can be granted: if anybody supposes he has a claim which he can enforce in a Court you can get a fiat.

MR. MIKEL: We would be met at once with the maxim that the King could do no wrong, on the assumption that the King will do no wrong.

MR. COMMISSIONER: It is not the King: the reason of that is the odium of everything he does wrong rests upon his Ministers. Perhaps you would like me to suggest you should have an opportunity of applying for this engine of destruction.

MR. MIKEL: I should like very much when you are reporting if you would report that a fiat should be granted. That might help us at all events to some extent and we could test the issue as to whether or not an action for negligence could stand.

MR. COMMISSIONER: There is no use of any will-o'-the-wisp of that kind. Have you anything to say Mr. Weldon?

MR. WELDON: I do not know that I should project myself into these matters. If you would like to hear what I would say in connection with the matter I hardly think it would be right to take it up this afternoon. It is now well on towards 4 o'clock. We have had sittings of this Commission and it has lasted over some months, and I do not think that I could attempt for a moment to do justice to these unfortunate people who have suffered in this matter offhand like this: it would be necessary to take up the evidence all the way through, and make proper notations, so that it could be followed without a great deal of trouble. If the Court could see its way clear and would like to hear what I have to say in the matter I would be

pleased indeed to get the matter in as good shape as I possibly could and lay it before you. On the other hand if you think it is inadvisable I have no complaint to make. Mr. Hodgins has followed the matter pretty carefully and brought out a great deal of evidence and I have no doubt he will do justice to all parties concerned. I think a very strong case can be made out for these unfortunate people, and if you would like to hear me I would like to take it up on any occasion the Court might see fit to appoint.

MR. COMMISSIONER: I do not quite understand what you mean?

MR. WELDON: I would not care this afternoon to go into an argument which would take a very considerable time and I have not had a chance to go through the evidence. I do not think it would be fair for me to get up at this stage and argue the case of some four thousand unfortunate people. If you wish to leave the matter over till next week—

MR. COMMISSIONER: Mr. Hodgins will be away next week and the week after.

MR. MIKEL: There are a number of findings I have in a memorandum here which I might leave with you.

MR. COMMISSIONER: Very well, Mr. Mikel; you might leave them with me.

Mr. Mikel leaves memorandum with Mr. Commissioner.

MR. WELDON: I do not know what we can do then under the circumstances.

MR. COMMISSIONER: The whole thing is very plain: there is not much dispute about anything. There is some conflict between Mr. Fielding and some of the witnesses, but with regard to everything else it is all pretty plain sailing is it not? We know how the bank started, we know the conditions under which the money was raised, we know how it lost its money after it started, step by step until it lost a million and a quarter.

MR. WELDON: That being the case and it being inexpedient to adopt the method suggested I might give three or four strong points in connection with the case of the depositors. In the first place the Government has always taught the people of this country that banking was a very serious and dangerous business; they have gone to work and said "Here, we cannot allow an ordinary individual to go into the business of banking: it is a very dangerous business". That is the attitude that has been assumed by the Government; so much so that they go to work and pass certain regulations and pass a special Act and say "Unless you comply with the provisions of that Act you cannot start into business". So much so that when, as intelligent a man as Dr. Beattie Nesbitt, a man who has had all sorts of business experience,—possibly no person who has been attending this Commission for some time has had more business experience than Dr. Beattie Nesbitt, and he comes here and says "When the Government granted the certificate I thought it was all right: they were there for that purpose: I am not a banker, and when the Government granted the certificate I took it for granted that everything was so, and was correct and proper". That being so what is the position of a poor farmer or river driver? How is he going to guard himself? I think these people are entirely without blame. There are features in connection with the Farmers Bank that occur in no other bank that ever failed in this country. In the first place it is the worst failure we ever had in this country. Here is a statement that shows the failures of banks since confederation: in 15 out of 21 failures the depositors were paid in full: there has been no case before where there has been such an absolute failure, where there is not a cent left to pay the depositors anything.

MR. COMMISSIONER: You have a valuable mine.

MR. WELDON: We will see. I would advise my clients at any time to sell it at 4 cents on the dollar.

The next feature in connection with the matter is this, that no time since Confederation or before that time for that matter has there ever come up any question as to the sufficiency of the certificates that had been granted by the Government. This is the first time that ever came up.

MR. COMMISSIONER: The first time that anybody has had the cheek to raise it, perhaps.

MR. WELDON: Possibly so. My learned friend Mr. Mikel in dealing with the matter took up some of the things that had been spoken about so frequently in Parliamentary debates and other places, but there is one thing that should have been mentioned, and that was this, that Mr. Travers was asked by you as to what was the cause of the failure of this bank, and he said "Well, I started off with short capital, and I had to go into all these deals to try and recover myself". You were speaking a moment ago about proximate cause and remoteness and so on. Mr. Travers is the one man who knows more about this matter than any person else. He states that as the reason that this failure occurred. No doubt the failure was caused by these injudicious investments and lack of proper management on his behalf. He says that was caused by his anxiety to make up the proper capital, and to make up the losses of organization that had been sustained at the inception of the bank. Therefore I submit the natural result of starting the bank with insufficient capital was the failure. The Government had said you cannot start a bank unless you have $250,000 of paid up capital. There must be a reason for that. They have naturally concluded, after having had very considerable experience, that they cannot allow a bank to start in business without having sufficient capital, and they say the smallest amount of capital you must have is a quarter of a million dollars. Mr. Travers started 25 or 30 branches with about $145,000 of paid up capital; that is less than $5,000 or $6,000 to run a branch with outside of the deposits of the people.

MR. COMMISSIONER: Some branches run without any capital, lots of them.

MR. WELDON: On the other hand I submit you should take into consideration the fact that the bank premises in lots of places cost $5,000 and $6,000 in some instances cost $12,000 or $14,000. That is the object aimed at by the Statute; I submit that the Statute said you must have sufficient capital because otherwise if you have not it is a perilous thing to do to start into this thing, and naturally when Mr. Travers did not have sufficient capital—I must say that Mr. Travers I think has been of very considerable assistance in this matter, he has refused to tell some things, but I presume he does not want to go back on his pals—however, to come back to the point I was endeavoring to make, that the reason of the failure was because of not sufficient capital, that if proper inquiries had been made at the time—I do not blame Mr. Fielding so much, for Mr. Fielding was an exceptionally busy man, and it is all right to come in now after the event and say he ought to have done this that and the other things—I do not say that—a Tory Minister might as well have done it as a Liberal Minister; a great many people have endeavored to make politics out of this thing, a lot has been written, but it is not a matter of politics at all, it is a matter where a great many people have suffered grievous loss through no fault of their own, and I am not going to say Mr. Fielding was in any way to blame; but what I do say is he was a busy man and he just simply failed to take the precaution, not possibly himself personally at all, possibly some member of his staff; they simply failed to take the precaution that an ordinary man of prudence would have taken in connection with his own business. The Statute cast a duty upon him, if not upon his officers, and his Department did not exercise the amount of diligence that should have been exercised in the circumstances. It is all right after the thing is over to say this, but he was busy delivering his Budget speech and he simply under the circumstances did not look after the thing as closely as he might have done.

MR. COMMISSIONER: Guilty with extenuating circumstances, is that your verdict?

MR. WELDON: I do not go that far. There has been a whole lot of political talk; he was simply too busy to pay very much attention to the matter. It was not a sin of commission, but a sin of omission; he simply did not realize possibly the great amount of danger there was in connection with it. But this thing has all been

gone over before. No doubt the Court is as well informed on it as I am and I do not wish to weary you with that. With respect to the findings that are to be made in connection with the matter I think the terms of the Commission are to report the evidence—

MR. HODGINS: To inquire into and report all material and relevant facts.

MR. WELDON: There is one other thing; this is a very broad and large subject; if one had an opportunity to talk one might go at the thing for half a day. Mr. Travers has suggested an amount of $3,000 and some other sums that appear to have been spent for some purposes which he does not like to divulge. In anything I have to say I do not wish to speak harshly or say hard things about any person. All I would like to do is to perform my duty with respect to my clients. But as to where the money went, I do not think we need be in a very great deal of difficulty; let us see what happened, shortly before the issuing of the certificate, and see who would have a motive or an object to be gained by the giving of that certificate. Shortly before the issuing of the certificate we find that Mr. Stratton introduces Mr. Travers to the General Manager of the Trusts & Guarantee Company, for the purpose of securing this loan; the loan is obtained, the consideration being, so it is alleged, the sum of $1,000 of a bonus and interest at 10%. The Trusts & Guarantee Company loan $80,000 of money of their own or their clients or customers on a lot of Farmers notes; and what would have happened supposing they had not got the certificate from the Government? The position of these men, I submit would be just about like this; the money on deposit with the Minister of Finance, the Treasury Department, would have to be returned to those men. The Trusts & Guarantee Company could not get their money back again, because their money had been spent; they could not sue the people who had given them these notes, because they would be met with the defence that you took these notes with notice. That being so, we consider the cheque paying that loan was hidden and concealed and issued in some other name, issued to the Bank of Montreal, and when the cheque was returned the payment was returned in some other person's name, still covering it up; when they elaborate the most perfect scheme they can, they go to work and get one of the shrewdest practitioners in Toronto I believe to provide a most ingenious scheme for defeating. I submit the provisions of the Bank Act, and all this is done, so it is said, to make a paltry little thousand dollars —not only that, but they had to go to work and borrow $55,000—and a thousand dollars would hardly pay Mr. Hunter's fee in connection with the matter—Mr. Hunter on a transaction involving $100,000, and evolving a scheme he would be entitled to receive good pay—

MR. COMMISSIONER: I do not see where this is leading.

MR. WELDON: The reason I say that, if the certificate had not been issued by the Finance Department what position would the Trusts & Guarantee Company have been in? I submit we see who would have a motive in obtaining the certificate, and what pressure would be brought to bear. All that one can but conclude is that these men must have realized the fact that in the event of the certificate not being granted they would be in a desperate state of affairs. I think that is a reasonable conclusion and I have not any doubt at all that they realized that fact, as shrewd a man as Mr. Stratton and Mr. Hunter and Mr. Warren who was also a lawyer would realize these facts. Mr. Travers has refused to tell where that money went, that $3,000 and other moneys; I do not know where the money went and who got it, but what I do submit is, and I have nothing against the Trusts & Guarantee Company. I am not concerned in their affairs at all except in so far as this is concerned, that if they had not got that certificate, if they had failed the Trusts & Guarantee Company would have been in a very bad position, and therefore I submit that it was incumbent upon them to see that certificate was granted. Naturally these things are all concealed. Mr. Travers does not wish to say to whom he gave this money, and does not desire to make any divulgence of these things but I submit it is very very plain that one cannot help but see that under these circum-

stances pressure, if it were necessary—it may have not been necessary—but pressure if it were necessary was absolutely certain to be brought by some person connected with that crowd. I do not wish to say anything more. These unfortunate clients of mine over the country have undoubtedly suffered an extreme loss to which they were in no sense a party. They have done nothing wrong, they have taken the report of the Government, the invitation of the Government to deposit their money in one of these banks and have suffered in that way. Of course this thing has all been helped along, and a great deal of false confidence has been enthused or instilled in the people of Canada by, I do not say by whom, but by certain interested parties—It has all been done to help us to believe that the banking system of Canada was the most wonderful system, that no person could lose. Since this thing came up last month, here is an article in the North-West Farmer, a paper, the pioneer farm paper of Western Canada, and they go on and tell us such things as the probability of loss to the depositors reduced to a minimum; and there is a case where every cent is gone, hardly anything left, except the gold letters on the window. With the enormous capital required by the Government, and there is not an atom of Government regulation.

"It is practically impossible for a bank to fail in Canada"—this is a long article vouched for by the Editor—

"All banks must stand by each other that the depositors may suffer as little as possible".

What actually happened in this Farmers Bank case? As soon as the crash came—possibly this is not very much in line except it is a very serious thing I think to go to work and lead the people to believe all these sort of things that are altogether untrue—for instance "All banks must stand by each other". There is no such law or no such condition. As a matter of fact the conditions are exactly the opposite. The banks of this country enjoy the monopoly of issuing bills which nets them without any tax or any cost to them, in the aggregate five million dollars a year; they have $100,000,000 of circulation in round numbers, and they ought to get $5,000,000 a year interest on that. In order that the people of this country shall have stable belief and ample confidence in the bills issued by the bank they put up this Circulation Redemption Fund 5% of the circulation of each bank, simply so that every person shall be satisfied and safe. When a crash comes, when a bank fails what happens? They go to work they do not take any money out of the Circulation Redemption Fund, they take all the money put in by the depositors; they take the depositors' money and they pay off all this circulation as a preferred lien or claim against the estate: the result is instead of standing together for the protection of the depositor they stand together to take what the depositors have put in there. The earnings from the issue of circulation of the banks of Canada for one month would pay the entire loss that the depositors will be put to in connection with this failure. This is a critical case.

"It does seem as if the interest of the Canadian depositors could not be guarded more closely". It is altogether erroneous, and this is a statement that should not be allowed to be made. But the point I started out to make was, that after all has been said, after all that appeared in the public press of this country, when any person has the hardihood to go to work and publish that now you I think will realize the unfortunate position of these people. They had ample confidence and implicit faith in the banks of this country, they thought like Dr. Beattie Nesbitt that the bank had obtained its certificate and that everything was all right.

MR. HODGINS: Mr. Corley is here, and I would like to ask him a few questions.

J. SEYMOUR CORLEY, Recalled:

MR. HODGINS: We had Inspector Duncan up here, and Mr. Stewart Lyon I should say was here first: he spoke of an interview with Inspector Duncan, in which he said Duncan was annoyed at having been sent on a wild goose chase to Muskoka and Inspector Duncan then said that he had applied for a warrant some time before the warrant was issued.

MR. COMMISSIONER: Two weeks before.

MR. HODGINS: And he was refused by you on the ground that you had the authority or the right to say when it was to be issued? A. Are you referring to the time Duncan went to Muskoka to get Dr. Nesbitt?

Q. Yes? A. Duncan is absolutely in error. We first decided there was a good cause for prosecution against Nesbitt on Saturday morning in Clarkson's office. There was Mr. Bicknell who was solicitor for the liquidator; there was Mr. Clarkson, one of Bicknell's assistants, or junior, and Duncan. Duncan was there at my request. We went into the matter fully and we decided to lay a charge of conspiracy, and a charge of theft in reference to the Keeley Mine transaction; that was on Saturday afternoon. Duncan left me I should say after 1 o'clock to hunt up the Magistrate, that I know of my own knowledge, I know that he had difficulty in getting a Magistrate because there was not any around that Saturday afternoon. I know he took the train and went to Muskoka after Nesbitt, and Nesbitt had gone in the meantime. If he had taken the trouble to telegraph before he left to seven of Inspector Rogers' men along that line he would have got him; he had to pass seven of Rogers' men before he got away.

Q. He said he applied for a warrant two weeks before it was issued? A. I have no recollection of him applying for it; if he did it was on insufficient evidence. He got one as soon as we had evidence. There was an immense amount of evidence and that had to be gone through with Mr. Clarkson; he was working with myself and Mr. Bicknell and I were in very close touch looking to see if the criminal law had been broken. It was only on Saturday we were able to get these charges against him after conference with Mr. Bicknell, Mr. Clarkson, Duncan and one of Bicknell's juniors and myself.

Q. Duncan says he applied and you refused it, and said you were the one that had jurisdiction to issue warrants, and he then reported to Colonel Grasett, and it came up before the Attorney General and he was sent to the Attorney General's Department? A. I think he is referring to the matter of extradition later. He issued several warrants without consulting me, for instance against Wilson, he never consulted me at all, he went into Colonel Denison and swore them while the Colonel was sitting on the Bench.

Q. Was that the point that came up and was decided by the Attorney General's Department? A. What point?

Q. The point whether you had the right to refuse a warrant? A. The point never was discussed, I never heard of it before.

Q. He said he applied to you and you said no, that you were the one to say when the warrant should issue? A. I could not take that authority; under the law the Magistrates have authority to grant warrants.

Q. Two weeks before the warrant did issue it would have issued if you had not stood in the way, that is the impression? A. Impossible to stand in the way; three-quarters of the warrants in the City of Toronto I never know about. In serious cases they ask my advice. The Magistrates never inquire into the circumstances; either the Police inquire or I do.

Q. If Duncan applied to you for a warrant would he be found to show you reasonable cause before you sanctioned it? A. I certainly would not advise the Magistrate to issue a warrant without reasonable cause.

Q. When was the first time you had submitted to you evidence which in your judgment warranted the issue of a warrant? A. On the very day Mr. Duncan went to Muskoka for Nesbitt.

Q. Who submitted that, Duncan? A. No. Bicknell, Mr. Clarkson and Mr. Bicknell's assistant; there were several of us there in that bank room of the Farmers Bank upstairs: I would not have known these facts except from Mr. Clarkson. Mr. Duncan is not an accountant and could not find them out, and I could not find them out.

MR. COMMISSIONER: Is your memory clear enough to say that what he says happened did not happen? A. I do not know what he said.

Q. He said he came to you desiring to lay an information against Beattie Nesbitt, that he did that about two weeks before the warrant was actually issued, and that you declined? A. Did he say on what ground?

Q. That it was your privilege to determine and that he had no right to lay informations? A. We never had a discussion of that kind, because I know quite well the Police always have the right to go to a Magistrate and ask for a warrant.

Q. Is that so? I got the impression that where a serious offence was charged, that the information had to be initialed? A. The practice is coming in that way, but it has not been in the past. Some of the most serious matters arrests have taken place at night and on Sunday when I never knew anything about it until the men were brought into Court.

Q. There was a suggestion that this was an effort on behalf of the friends of Dr. Beattie Nesbitt to prevent his arrest? A. I am no friend of his, and he was never a friend of mine.

Q. And he was warned? A. If there was any warning it did not come through me or through my office; I have no interest in Nesbitt.

Q. You know nothing about any such thing? A. No, absolutely nothing.

MR. HODGINS: Q. You spoke about the Provincial Police: is not there friction, jealousy perhaps would be the better word, on the part of the City Police? A. Perhaps it is bad feeling; some of the force are friendly.

Q. Do you know whether Inspector Duncan is one of those that entertains that feeling? A. I believe Inspector Duncan and Inspector Rogers do not think too much of one another; there has always been considerable ill feeling in the Toronto Police force itself.

Q. That might account for it? A. I think he felt so sure of getting him that he did not bother.

Q. He came back apparently thinking he had gone on a wild goose chase? A. He had not; Nesbitt had just walked across the lake and took another train. Inspector Duncan and I were shooting at a place last fall where Nesbitt changed from the regular train to a freight train and the conductor told us both about it, not knowing who Duncan was. Inspector Duncan seeks my advice very often. It might have been he submitted the case to me and I said there was not sufficient evidence, and to wait for evidence. I was not arresting everybody whose name was mentioned in the Farmers Bank; I had to have some evidence; I had a duty that way too.

The Commission adjourned at 4 P.M. to 11.45 A.M. to-morrow, June 29th, 1912.

Toronto, June 29th, 1912.

The Commission resumed at 11 A.M., Osgoode Hall.

PETER RYAN, Sworn, Examined by—

MR. HODGINS: You are Registrar of East Toronto? A. Yes.

Q. Had you any occasion to visit Ottawa, in 1906? A. I cannot say, but very probably.

Q. Do you remember the time when Travers was down there? A. I remember seeing him there once.

Q. About in November, 1906? A. I cannot give you the date and I cannot give you the year.

Q. Did you know him before? A. No.

Q. How did you become acquainted with him? A. I think Mr. Hunter introduced me to him.

Q. What Mr. Hunter? A. The lawyer, I think it is William Hunter.

Q. W. H. Hunter? A. Yes, a stout man.

Q. You had not known him before? A. No.

Q. Did you see much of him down there? A. No.

Q. Who did you introduce him to? A. I did not introduce him to any one.

Q. What did Mr. Hunter introduce him to you for? A. Merely the ordinary rule that obtains when you meet any one down there, two men together, introduce one not known to the third party, that is all.

Q. Where did you meet him? A. I think it was on the floor of the Russell House.

Q. You were staying there? A. Yes.

Q. He was there for several days, were you there too for that length of time? A. No, I have not slept a night in Ottawa in years.

Q. Just there for the day and out again? A. Yes, that is all.

Q. A flying visit? A. Yes, that is all.

Q. I suppose you know Mr. Calvert? A. I do.

Q. Did you make Mr. Travers acquainted with him? A. I do not remember, such a thing is possible, but I have not the slightest remembrance of it.

Q. Would you remember if you introduced him to any one else? A. No, I do not think I did. I would be very much surprised if I did; I know I did not do so, sure.

Q. Did you introduce him to Mr. Emmerson? A. No, never.

Q. Did you know what his business was down there? A. I have a recollection that they told me it was in relation to their new bank they were establishing.

Q. Whom do you speak of when you say they told you? A. Mr. Hunter and Mr. Travers, I think they mentioned that.

Q. Were they in difficulty at all? A. Not that I knew of, I knew nothing of their business whatever.

Q. Did not ask you to help them? A. I do not remember that they did, I could not help them.

Q. Of course I do not know, they might have thought so? A. Well, I know but I was not in a position to help them, none whatever; I dare say I would have done it if I could have done it.

Q. Was it not the case that they asked you to help them? A. I do not remember it, because I could not help them; they might have thought so, but I know it was beyond my power.

Q. How did you happen to be down there? A. I cannot tell you, I have been there many times on ordinary business; I certainly did not go on that business.

Q. Did you go knowing they were going? A. No, not the slightest idea of them being there.

Q. Mr. Hunter is a friend of yours? A. Not particularly, I know him as I know you, I never had any business with Mr. Hunter.

Q. You are not sure whether you introduced him to any one? A. I do not remember anything.

Q. You think it is possible you did to Mr. Calvert, but you are not sure you introduced him to any one else? A. It is just this, on the floor of the Russell House you would meet public men, and occasionally they would come up and speak to me, and if they were present there would be a mutual introduction, and that is all I remember; that is all that was possible.

Q. After the introduction did you see any one in their interests at all down there? A. No.

Q. Do you know who they saw in connection with the matter? A. I have not any idea; I have just the haziest recollection of having seen them, that was all. I have no hesitation in saying I would have helped them had it been in my power just as I would very likely help any one, but I was in no position to do it.

Q. Did you have any dealings with Mr. Travers after that? A. Yes.

Q. How soon? A. Opened an account in his bank.

Q. How soon? A. Not very long after it opened.

Q. How did you come to do that? A. Well, I do not know why, it was convenient to us, but it had no bearing whatever upon that.

Q. Upon what? A. Upon my meeting him at Ottawa or anything of the kind.

Q. Did you ask any one to introduce Travers to a third party? A. No.

Q. Did you help him in any way down there? A. You mean a member of the Government?

Q. Yes? A. No, never.

Q. To any one else, a member of the House? A. No.

Q. You are quite sure of that? A. Very sure.

Q. What makes you so sure of that? A. Because I would have remembered it had I done so, because all things of the kind that are of an unimportant nature as I tell you I would have helped them if I could, but I was in no position to do it.

Q. After you saw him down there and were introduced to him did you see him again down there? A. I do not think so.

Q. Quite sure you left there that night? A. I think so, I have not been, I do not remember having slept a night in Ottawa for a great many years.

Q. When you saw them they had not got the certificate? A. I could not say whether they had or not.

Q. I thought you said they were down there about the certificate? A. They were down there in connection with their bank, I did not know the procedure or anything about it.

Q. The state of mind before they got the certificate and afterwards would be quite different, and I judged from something you said that it was before the certificate was granted? A. It must have been, because they were down upon their bank business, and that only I gleaned since because I did not know the procedure of getting the certificate or the conditions, but I had nothing to do with the granting of the certificate, good, bad, or indifferent.

Q. After the interview you say you did not see Travers again that you remember? A. Not in Ottawa.

Q. Did you see Hunter? A. I do not think so; I might have seen him fifty times but it did not impress me.

Q. Did you see Guthrie? A. No, you mean Hugh Guthrie?

Q. No, I mean his brother, Donald I think it is? A. No, Mr. Donald Guthrie is the elder, the father.

Q. Norman Guthrie? A. I don't know him at all, never heard of him.

Q. You have no recollection of seeing Travers again? A. No.

Q. Did you see any one on his behalf? A. No.

MR. COMMISSIONER: Did you see Mr. Emmerson on that occasion? A. I have not the slightest remembrance, my Lord.

Q. Were you acquainted with Mr. Emmerson? A. Intimately.

Q. It was during the session of the House, the House was sitting at the time? A. I think so.

W. R. TRAVERS, Recalled:

MR. HODGINS: When you were in Ottawa did you meet Mr. Ryan? A. I did.

Q. Where? A. In the Russell House.

Q. How did you come to meet him? A. Mr. Calvert, if I remember right, introduced me to him.

Q. Mr. Calvert said he only met you when you presented the letter of introduction to him? A. He is mistaken about that, because we were in the Russell House together, and he introduced me to several people.

Q. Introduced you to Mr. Ryan? A. Yes, that is my recollection.

Q. And did your acquaintance with Ryan go any further? A. I did not see Mr. Ryan again till after I was back in Toronto.

Q. Did you get an introduction from Mr. Ryan to anybody? A. No, I remember saying to Mr. Ryan what my business was briefly. The meeting was very short, and I asked him if he would put a word in for me. I think, if I remember right, he said he would speak to Mr. Emmerson. He says not here, but that is my recollection.

Q. Were you introduced to Mr. Emmerson? A. I cannot recall that I was, not by Mr. Ryan. I was up in Number 6 Committee Room with Mr. Calvert after that and I was introduced to fifteen or twenty, I cannot remember all who I did meet.

Q. You were up in committee room number six? A. Yes.

Q. And were introduced to whom? A. I was introduced to a number there, I could not recall; I have been trying to, but I could not remember who they were, there must have been fifteen or twenty there.

Q. Was Mr. Emmerson among the number? A. I am not sure about that. I am undecided; I cannot recall the man.

Q. Did you get any assistance from any of those to whom you were introduced? A. Not beyond asking them to put a word in for me.

Q. Have you any further information that you are willing to give. A. Well, I have been thinking over this matter very seriously and been worrying about it, and do not want you to feel that it is on account of any harsh proceedings, that, Mr. Commissioner, you want to propose, to force me to tell what I am about to say; I want to say more from my personal feeling towards you and admiration of you than otherwise (I feel that perhaps it would be better for me if I did not say what I am going to say): Before going to Ottawa I was told by a party, I do not remember who it was, I do not wish to be pressed on that point, I don't know whether it was Dr. Nesbitt or Mr. Lindsay or Mr. Lown or Mr. Stratton, or whom. I cannot say, that I had better take $3,000 with me and give it to Mr. Ryan. I went down there without the $3,000, and I put a cheque in an envelope addressed to Mr. Ryan, payable to the order of myself; on that cheque I marked "C" on the back of it I put a number, which I think represented Mr. Ryan's room number; that is why I want to see the cheque. That is all I ever saw of Mr. Ryan. I don't know whether he got the cheque or did not get it, but I put with that cheque my

card, stating that I would pay that in cash when presented in Toronto. The cheque was duly presented to me in about a month or six weeks afterwards. I don't know whether by a bank messenger, it came to my counter, or by some other messenger, and I paid it, and I got the cash together and paid it. That is as far as I am prepared to go in the matter.

Q. What did you do with the envelope and the cheque in it? A. I put the cheque in a private drawer in my desk?

Q. In Ottawa? A. I handed it in to the clerk of the hotel.

Q. Addressed to whom? A. Mr. Peter Ryan.

Q. With his room number on it? A. That is my recollection of it, because I put the room number on the back of the cheque. I thought perhaps it might be useful to me some time.

Q. When did it come back to you? A. About a month or six weeks, I cannot remember exactly the date.

Q. Your advice was to give it to Mr. Ryan before you went down? A. Yes, and not to say anything about it at all. I said nothing to Mr. Ryan about it; I simply enclosed that cheque, and I supposed he would get it or leave instructions for it.

Q. Do you know what became of it? A. I do not.

Q. Do you know who got the money? A. I do not.

Q. Then, just tell us again when you got down there how you made Mr. Ryan's acquaintance? A. I saw Mr. Ryan in the rotunda when I was with Mr. Calvert, that is my recollection. Mr. Calvert introduced me to two or three people and I asked him, if I remember right, I asked him to introduce me to Mr. Ryan and he introduced me to him. I had five or six words, he knew what I was on, my mission; I asked him if he could put in a word for me and he said he might, and if I remember right he mentioned Mr. Emmerson's name, but since he says not I am puzzled as to whether he did or not.

Q. Mr. Emmerson had interested himself, had he not, in the early stages or do you know that? A. No, I do not know that he did; I never heard of his name in connection with it before; I heard of it afterwards but not before.

Q. That cheque that came back would not be presented directly to you, would it? A. We were not in the Clearing House then and they would come to the counter for their settlements each day. If it came from a bank messenger they would draw the cash for it at the counter, but the cheque was brought in to me by one of my officers and I gave him the money for it and took the cheque. I had provided for it in the meantime and I took the cheque and put it in my desk, and that was the end of it.

Q. Was it stamped by any bank? A. I could not say that now, although I have seen it within a year, I am not satisfied about that. I remember seeing a number on the back in pencil and my recollection goes that I put down Mr. Ryan's room number.

Q. What officer would bring it in to you? A. At that time it would have been Mr. Frayne.

Q. Where is he? A. I do not know where he is; he left the country, he was a defaulter and absconded.

Q. The cheque was payable to yourself, and had you endorsed it? A. Yes, that is my recollection.

Q. Did you leave it in Ottawa? A. Yes, I left it in an envelope there; took chances on it.

Q. You did not take any pains to find out who was presenting it? A. I did not want to know; I did not want to know anything about it.

Q. You did not know? A. No, and I do not know to-day.

Q. You paid Mr. Frayne the $3,000 in cash? A. Yes, I gave him the money and he took it out and handed it to whoever was there at the counter.

Q. Did you see who was there? A. I did not.

Q. You had been expecting this? A. Yes, I was looking for it every day.

Q. What did you charge the $3,000 up to? A. It is charged up to my commissions, that is my recollection; I drew it out in several cheques.

Q. It would be about a month after the bank organized? A. Yes, it would be fully a month afterwards; it would be along the middle of January, perhaps six weeks.

Q. You say you charged it up to your commissions? A. I had drawn the money out of commissions prior to the cheque coming in and I was providing that $3,000 to keep it on hand for the cheque.

Q. Just waited for the cheque to come in day by day. A. I was.

Q. Did you make any inquiries afterwards as to who had got that money? A. No, I did not; I did not want to know.

Q. What you have told us here to-day you do not know who actually got the money? A. I do not.

Q. Why did you make such a mystery about it? A. Well, I do not know that there was any particular mystery about it, I did not feel like starting the question at all.

Q. You told me if I were to ask you certain names that you would answer yes or no to them? A. You have had Mr. Ryan called here, and he says he did not get it; at least, I understand he said he got nothing from me; I do not know whether he did or not.

Q. Supposing I had asked you that question, named over several names? A. I would have told you just exactly what I have told you now.

Q. Did you attribute your success in getting your certificate to the cheque? A. I thought it all helped: I knew that when they got the charter through, at least when I say I knew, I was told by Mr. Lown, when they got the charter through they had to use some money there.

Q. So that you were not surprised? A. I was not a bit surprised, no.

Q. When you had the suggestion made to you, did you make inquiries as to where the money would go to? A. No, I did not, I did not care, I did not want to know.

Mr. Hodgins: Perhaps Mr. Ryan ought to have an opportunity of saying something.

PETER RYAN, Recalled:

Mr. Hodgins: You have heard Mr. Travers' statement? A. Yes.

Q. What do you say to it? A. I have got to say that I have never in my life been so surprised at any statement; I am as ignorant of the $3,000 cheque as it is possible for a babe in its mother's arms to be; I never heard of it before. Mr. Travers' cheque may have reached some other quarter; of that I know nothing, but I certainly never saw it. What is more, Mr. Hodgins, I would be pleased to show my bank books, deposit books; I had no such sum; I do not think that I even slept that night in Ottawa, and I never take a room when I go there. I simply put my bag, unless it was an odd case, and I cannot imagine it. I had no room in Ottawa. I will furnish with the greatest openness and frankness my deposit book, and if you can see any trace of anything of the kind, of course I will stand convicted, but I never saw one cent of it, I know nothing about the cheque. I never saw it, and until this moment know nothing whatever except what I read in the papers. I can appreciate Mr. Travers' position, and he can imagine that it might have come to me or you or to anybody else, but of that I am not at all responsible.

Q. You see, he says he put it in an envelope addressed to you? A. I never got it, never saw, never heard of it till now. I say that with the full sense of the responsibility of my oath and before this Commission, willing to take any kind of loss of public confidence or respect or punishment by law or in any other way if it could by any possibility be shown that I had anything whatever to do with it. I can say no more; absolutely ignorant of it, Mr. Commissioner; absolutely never heard of it until now. I will be glad to show you any documents that I have got in that way, and I am just surprised that they could have imagined that I would have been a messenger, and I was, unfortunately, hard-up at the time, but I was not likely to become a messenger in such a case.

Q. Did you have any talk to any of the four gentlemen he has named, Beattie Nesbitt, Lown—? A. No, I never heard of Mr. Lown until I read his name in the paper, and I have never seen the gentleman.

Q. I think Mr. Travers mentioned Lindsay?

MR. TRAVERS: Dr. Nesbitt and Mr. Stratton.

MR. HODGINS: Did you ever hear of this bank certificate or bank charter? A. Not the slightest: two of the gentlemen I do not know; I am sure I never spoke to the Doctor about it.

Q. You knew Lindsay? A. No; I know Nesbitt.

Q. Who do you know? A. I know George Lindsay, but that is not the one.

Q. Out of the four, which are the two you know? A. Dr. Nesbitt and Mr. Stratton.

Q. Having heard what Mr. Travers said, can you recall the occasion of his being there more distinctly than you did before? A. No, I do not; I am very sure that Mr. Travers' statement and mine agree, excepting he says I was introduced by Mr. Travers, and I thought it was Mr. Hunter, but it was so unimportant I did not bother with the thing; unimportant, entirely so, and I had no connection with it, good, bad or indifferent. I assure you, and I am stating it on my solemn oath, that I know nothing whatever about that $3,000 or any sum, greater or smaller, in connection with the transaction. If I can say anything more impressive to you, Mr. Hodgins, I will be glad to do it. I will show you my books; I have no such sum as $3,000.

Q. I do not think it is suggested you kept it? A. No, nor I never got it.

Q. The suggestion is it must have gone to some one else? A. I never got it.

Q. However, your offer is one that I think I ought to accept? A. I will be very pleased to show you anything that I have got. I can sympathize with Mr. Travers in thinking the devious ways of the heathen Chinee might be indulged in, but I certainly was not the medium, nor do I know anything about it, and until this moment I had not the slightest idea that such a thing could ever arise in connection with myself.

MR. COMMISSIONER: Do you think you could ascertain the purpose you were in Ottawa for? A. No.

Q. By inquiry? A. No; if I got the dates possibly I might.

Q. Between the 21st and the 30th November, 1906? A. I will take down the dates.

MR. HODGINS: Travers arrived in Ottawa the 28th November and left on the night of the 30th.

MR. COMMISSIONER: The 28th to the 30th inclusive? A. Mr. Travers and myself are very liable to make a mistake as to whom introduced us, but I could have made no mistake about $3,000; it was just the kind of a sum that would have impressed itself upon me at that particular time, and I never saw it nor never heard of it.

Q. Was that one of the times you were down or one of the times you were up? A. I could not tell you, but I know I am innocent of this; I have had my share of all sorts of ups and down, but this is a new thing; it would be a new role to be playing, too.

Q. Those are the dates? A. I will do the best I can, and particularly if you come to my office I will turn up all my letter books and see if I wrote anything on this date to show I was in Toronto at the time.

MR. TRAVERS: Do you remember standing on the top of the stairs auctioning off something? A. Very likely.

MR. TRAVERS: That might help you? A. That would, undoubtedly.

MR. HODGINS: The top of the stairs where? A. At the Russell House.

Q. Auctioning something off? A. Yes, that was the usual place where we wished to make men rich buying timber.

Q. Auctioning what off? A. Some timber limits.

Q. That probably was what you were down for? A. Very likely.

Q. You could fix the date; I suppose you were paid commissions on those sales? A. I forget now.

MR. COMMISSIONER: You ought not to forget that? A. Sometimes we did not get the commissions, because sometimes we did not make sales.

MR. HODGINS: At all events, your books will probably show something about that? A. Yes, and more than that if you will come this afternoon I will be glad to show you anything I have.

Q. I won't promise to do that, but I am going to suggest to the Commissioner that the Commission had better stand adjourned to some later date so that I may make the inquiry? A. Very well.

W. R. TRAVERS, Recalled:

MR. HODGINS: You have heard what Mr. Ryan says, does it change your view in any way as to what you did? A. Not the slightest.

Q. You made a remark that he was probably auctioning something off there, what did you mean by that? A. I thought you were trying to fix some dates for him to help him out, and it came to my mind, having seen him on the stairs in his brilliant way he has of putting those things.

Q. Before or after your introduction? A. I could not say that now.

MR. COMMISSIONER: Does that mean that he was selling timber limits? A. That was my recollection of him, seeing him there; I may say first I remember seeing him up the stairway offering something for sale; I did not pay very much attention to it.

MR. HODGINS: You wrote the number of his room on, at least some number that you think was the number of his room? A. That is my recollection of it.

Q. On the cheque? A. Yes.

Q. What would the sense of that be? A. I had in my mind that possibly I would want to remember it.

Q. So that when the cheque came back you would remember it? A. Yes.

Q. What did you put "C" on for? A. Certificate.

Q. Did not write certificate on it? A. No, I put a "C" on it; I thought I would keep the cheque, it might be useful to me some day.

Q. I have communicated with Mr. Lynch-Staunton and he was unable to be present to-day, but he says that he has no recollection whatever of having any interview with you, that he never saw the letter from Colonel Matheson or any cheque for $3,000, and if you saw either of them you did not bring it to his atten-

tion? A. I would not like to contradict him in that, but he cannot possibly not remember having an interview with me.

Q. He says he has no recollection, that if you saw either of those documents that you did not bring them to his attention; I think myself that is consistent with what you said yesterday? A. I would not like to contradict him, I saw the documents.

Q. You saw them on the table? A. Yes, and he was in and out and the detective was there; I do not know which one it was now.

Q. Was that before the trial that he was to conduct? A. It was before one of the trials, I could not say which one.

Q. I suppose you have followed this case pretty closely, you remember that he was retained to prosecute and that he did not do so? A. Yes, I remember that.

Q. And some one else did? A. Yes.

Q. Was it just before the trial that he was expected to take? A. That is my memory, I could not say exactly.

MR. COMMISSIONER: There were two or three bills found when I was sitting at the Criminal Assizes and they were traversed to the next Court. Mr. Staunton was there then; and I think it was at the Court they were traversed to that he was not able to attend, and Mr. DuVernet took his place? A. I was up there so many times.

MR. HODGINS: Mr. DuVernet prosecuted Lindsay. Was it Lindsay that Mr. Staunton was to prosecute? A. No, I do not think so.

MR. HODGINS: Mr. DuVernet took the case against Stratton in the County Judge's Criminal Court.

The Commission adjourned *sine die*.

Toronto, July 16th, 1912.

The Commission resumed at 11 a.m., at Osgoode Hall.

PRESENT:

HON. SIR WILLIAM MEREDITH, Commissioner;
FRANK E. HODGINS, K.C., and JOHN THOMPSON, K.C., representing the Dominion Government.

MR. HODGINS: Mr. Ryan, Mr. Scott is here, and he would like to be called first. I just wanted to ask you if you had any objection.

MR. RYAN: Not the slightest.

JOHN G. SCOTT, Sworn, Examined by—

MR. HODGINS: Q. You are Master of Titles? A. Yes.

Q. And I think you were Master of Titles in 1906? A. Yes.

Q. Do you know Mr. Peter Ryan? A. Yes.

Q. Mr. Peter Ryan has supplied me with an account kept by him in the Home Bank of Canada in the name of Peter Ryan in trust, and on the 18th January, 1907, there is a deposit of $3.000 which he tells me was a loan from you, and I would like to hear what you can tell us about that item? A. A loan hardly describes what it was. Mr. Ryan suggested that there was some British Columbia timber advertised, and he suggested it might be a good thing to bid for it. He

said if I would supply $3,000 he would look after it. We put in a bid and it was not accepted; there were some a good deal higher than we were, and the money was returned to me.

Q. What about the date? A. The 18th January, 1907.

Q. Let me see the cheque? A. (Mr. Scott produces cheque and hands to Mr. Hodgins).

Q. Yes, that appears to bear out the entry. Can you tell us about the return? A. Yes, it was returned in different items: February 1st, $2,050 was returned. Then shortly after that $350 was returned, and then $400 returned. May 17th $200 was returned; June 1st, $400, and $500—

Q. It was all in 1907? A. Yes; there is $100 that has not been returned yet. There was some arrangement by which Mr. Ryan got $1,000 of it re-loaned; that is the reason why it has not all been returned.

Q. It looks from the entries here as if on the 22nd January he had got $2,000 of it back? A. I have it entered here 1st February; very probably it was that time.

Q. There is a cheque in his account dated January 22nd? A. Yes, it is not entered here till February 1st.

Q. You did get that and you made an arrangement to re-loan him the $1,000? Yes.

Q. Those were British Columbia timber limits? A. Yes.

Q. Were those limits he was selling? A. No, it was some the Government were advertising, and he thought there might be a good chance for speculation.

PETER RYAN, Recalled:

Mr. Hodgins: You promised to make some investigation when we were last here into why you were in Ottawa at the time and so on? A. Yes.

Q. Have you anything more you want to say? A. Yes, I was in Ottawa on the 28th November, 1906, conducting timber limits sale at the Russell House of the Manawan Timber limits, Province of Quebec. Is there anything further.

Q. I just want to know if you have anything further to say in addition to your evidence of the other day that has occurred to you? A. No, there cannot be anything where there is an absolute and positive blank, and an absolute and positive denial of any complicity in the thing.

Q. I was not alluding to that phase of it; you promised to make some inquiries, you said you could not remember? A. No.

Q. I thought probably you should be called to have an opportunity of saying so? A. I availed myself of it; I have not been idle. I immediately referred to my letter book, I also referred to other things that brought it to my recollection very clearly that it was upon that day, because I got a letter from the Russell House at Ottawa giving me a list of the Toronto people who were present on that occasion and Mr. James Pearson, barrister of this city, accompanied me down that night interested in the sale with me, and when I got the list of course it gave me very clearly the knowledge I was seeking as to the date of this sale. It will be found in the Canadian Lumberman, or in the Ottawa Journal you will find it a day or two before that, if Mr. Thompson will inquire when he is down there, as I understand this Commission meets to-morrow there, you will find I was there upon that business.

Q. Did you find out how long you stayed there? A. I only stayed there that day, the 28th; I returned home as I stated on the night of the 28th.

Q. You have a distinct recollection of that? A. No, I cannot have.

Q. Why do you say so? A. Because a telegram from Ottawa, and the searching of the register of the hotel tells me that I left that night. I will give you

the letter. Just indicate what in the searching of the hotel register would indicate you left that night? A. Because I had not a room; I always stay at the Russell House.

Q. And take a room there when you stay? A. No, I have not stayed more than two nights in twenty years, but if I did stay I would stay there; never stayed anywhere else. You would not expect me to carry in my memory very clearly whether I stayed there or did not stay.

Q. No, I do not; I just want to find out what you have recollected or been able to find out since; because you naturally could not be very clear about it then, and I thought you might have found out something about it since? A. No, but as you are going to Ottawa to-morrow you will be able to find the register; it has been exhumed.

Q. I understand that: we have subpœnaed Mr. Mulligan, but I cannot ask him just now? A. You will find his statement corroborates mine.

Q. Who were you selling timber limits for? A. For myself.

Q. You say Mr. Pearson was interested? A. Yes; but permit me to remark to you that that has no bearing whatever upon this subject before the Commission. I suppose I am not expected to account for every act and every word I said and every act I did.

Q. I have no objection if you do not desire to answer the question? A. I am glad to answer anything that is pertinent, but I cannot be expected to remember everything that I did then.

Q. Your recollection of that entry in your Home Bank Account which you have been kind enough to furnish me with accords with Mr. Scott's evidence? A. Yes.

Q. Was the repayment as he described, the $2,050? A. I do not know, I have no ledger; it is altogether memory with me. I will venture to say that Mr. Scott's statement is accurate.

Q. Yes, it appears to be. Your Farmers Bank account—you kept an account there? A. Yes.

Q. Shows a cheque about the 1st of February of $2,050; did you keep an account in several banks at that time? A. You have them all there before you.

Q. These books I have before me indicate the bank accounts; the Sovereign Bank, Farmers' Bank, Bank of Montreal, and Home Bank? A. Yes, in fact, Mr. Hodgins, I only remembered when I was in bed about the Home Bank; I was so desirous of furnishing you all the information that I went there and they very kindly made me up a statement as I had no book. The book had been destroyed and the cheques and everything else that I thought would not be of the slightest interest to me. I remembered having got that $3,000 from Mr. Scott and for that purpose.

MR. COMMISSIONER: Did you offer the limits for sale at Ottawa? A. Yes.

Q. At what hour? A. The afternoon I think.

Q. Where? A. At the Russel House.

Q. When was it that you saw Travers and what hour? A. I could not say.

Q. Was it before or after the sale? A. I do not know.

MR. HODGINS: You failed to sell? A. Yes.

Q. You supplied me with quite a number of letters showing you did tender in January? A. Yes.

Q. Were you able to ascertain the figures at which you put in a tender? A. No, but I wrote on July 8th and I think you have a press copy of my letter to the Department asking them to send me a full copy of my tender, they have not done so. I presume they have been on their holidays. I have got no information from them; and I will be very glad if you or Mr. Thompson will call at the Department of the Interior to-morrow and get copies.

Q. You asked me to subpœna several gentlemen here? A. Yes.

Q. That is the members of the old Board that Mr. Travers mentioned as possibly having suggested to him? A. Yes.

Q. I have done so? A. I thank you.

Q. And I propose to call them, but I would just as soon call them one by one and ask the others in the meantime to retire? A. Very well.

Mr. Lown, Dr. Beattie Nesbitt, J. W. Lindsay retired; Mr. J. R. Stratton could not be present till later.

WILLIAM H. HUNTER, Recalled:

MR. HODGINS: You have been already examined, and I think you said you went down with Travers to Ottawa? A. Yes.

Q. And that you returned? A. Yes.

Q. Before he did? A. Yes.

Q. The day you were in Ottawa I think was the 28th? A. Yes.

Q. You were there only the one day? A. Just the one day.

Q. Did you meet Peter Ryan there? A. I have no recollection of doing so.

Q. That is as far as you can go? A. Yes. Mr. Ryan called on me and asked me if I recollected, and I was unable to recollect it.

Q. Mr. Travers has said this: "Before going to Ottawa I was told by a party, I do not remember who it was, I do not wish to be pressed on that point, I do not know whether it was Dr. Nesbitt or Mr. Lindsay or Mr. Lown or Mr. Stratton or whom, I cannot say, that I had better take $3,000 with me and give it to Mr. Ryan". Mr. Ryan has asked me to subpœna you and I presume for the purpose of asking you whether you made any suggestion of that kind? A. Not at all, I had no knowledge of the $3,000 matter until this came out after the bank's failure.

Q. Tell me, when you came back apparently you went in and saw Mr. Fitzgibbon and you asked him to send down three cheques to Travers? A. Yes.

Q. You no doubt had some conversation with Travers about the cheques? A. Yes.

Q. He says that he went down without the $3,000 and so on, what was Travers' reason for wanting cheques sent down? A. I think I said before on that point, he told me he was going to be there longer than he expected, that he thought he would go down to Montreal to make some arrangement about a lease; there was a mix-up over a building that had been taken by a canvassing agent; also to arrange about redemption of bank currency; and he did not know how long he would be away and he asked me to have some cheques sent down to him; that was the whole conversation as I recollect it.

Q. And did he say anything to you about Peter Ryan while he was in Ottawa? A. I do not recollect his mentioning Peter Ryan at all.

Q. Did you meet any one else down there in connection with the bank certificate? A. Yes, I met Mr. Ross, the chief clerk, we called on.

Q. Did you meet any one else connected with either the Department or Parliament, any one who would have any influence in a matter of that kind? A. No, I met no one.

Q. Met nobody? A. Nobody connected either with Parliament or the Department. I did meet both Guthrie and Pringle in connection with Smith's claim, but that was the only other parties I recollect meeting at all in connection with the business of the bank.

Q. Did you go and see Mr. Boville when you were there? A. No, I think Mr. Ross was the only man we saw.

Q. When you came back here according to Mr. Fitzgibbon's letter you read over the subscriptions, you say you do not think that is correct, that you looked at the book instead; Travers has since said that the actual subscriptions were sent down to him in Ottawa? A. I have said before that if they were I did not know it.

Q. He did not ask you to have them sent down when you left him? A. No.

MR. COMMISSIONER: Did you see Mr. Calvert when you were in Ottawa on that occasion? A. I don't think I knew Mr. Calvert at all.

Q. Did you see him? A. I certainly did not see him.

Q. What would Travers want with three cheques upon your explanation? A. I do not know sir; I think my evidence was before—

Q. What would he want two or three if it was simply to pay his expenses of moving about? A. That I know nothing of I might suggest if he had a settlement to make on the question of that lease in Montreal he would need one.

MR. HODGINS: It has just occurred to me there are a couple of matters, that while you are here I would like to ask you about them; there was a note which was spoken of, I think the name was Elliott, in connection with some defalcation connected with the bank in one of its outlying branches, and the amount appears to have been returned or disposed of by getting a note from I think a man named Elliott. Mr. Travers said he did not know who Elliott was, that it was a matter in your hands and it was sent over from your office; do you recollect the circumstances? A. No, I cannot place it.

Q. Do you remember the fact that up north somewhere the bank lost a considerable amount of money—McCallum? A. McCallum was in the Toronto branch, not up north.

Q. You do remember about him? A. I remember McCallum, because there was a prosecution there.

Q. Do you remember afterwards having a suit or taking any steps to collect the amount? A. No, I do not think there were any such steps taken.

Q. Mr. Travers says the note came from your office.

MR. TRAVERS: You are on the wrong track; it is Tamlin. A. That was not an officer of the bank.

MR. TRAVERS: No. A. That was a customer of the bank. There was a suggestion there that Mr. Tamlin had discounted some forged paper—

MR. HODGINS: We are not interested in the charge itself; you remember the circumstance? A. Yes.

Q. Do you remember it was afterwards settled in some way through your office? A. Yes, that was settled through my office; a brother-in-law of his came down from London and made some settlement.

Q. What was his name? A. That I have forgotten.

Q. How does this note come into existence; the note was for a large amount, nothing ever was paid, nobody ever knew who the maker was, and Mr. Travers says it came through your office? A. It may have been given by the brother-in-law, produced by him.

Q. Could you find out? A. I think I could.

Q. When the bank failed were you connected with a Graphite Company? A. Yes.

Q. A stockholder—and had you made yourself liable to the bank in connection with this debt? A. No.

Q. Were you a director? A. Yes.

Q. In round numbers how much did the bank advance to that concern? A. They had a stock interest along with a bond interest as I remember, it amounted to $30,000; there was an overdraft of about $50,000.

Q. What was the extent of your interest in the company? A. Financially?

Q. Yes? A. I had, including moneys that I had advanced after the failure, about $18,000 in the company.

Q. After the failure of the bank? A. And before; the property was operated under lease; I supplied the money.

Q. Was it a close corporation? A. It was intended to be a preliminary company to a public flotation.

Q. Who was interested in it besides yourself? A. The bank was interested, Mr. Brumell was interested.

Q. What do you mean by the bank was interested? A. They held a portion of the stock as a bonus with the bonds.

Q. Who got up the company and got the bank moneys advanced? A. I fancy I had the most to do with that.

Q. Has that ever been made good? A. We are still working on it.

Q. Was Mr. Travers interested in it? A. He had no personal interest in it.

Q. Who was interested on behalf of the bank in the formation of the company? A. There was some stock stood in Travers' name as manager in trust.

Q. Did you get it up entirely yourself or in collaboration with anybody else? A. Mr. Travers knew the steps under which I was getting it up.

Q. Did you have any one else connected with you getting it up? A. Mr. Brumell the man who had the properties and process.

Q. And you got it up, put some stock in Travers' name and got the bank to advance? A. Yes.

Q. On the bonds? A. Yes.

Q. And out of those I suppose Brumell was paid? A. No, he got no money out of it.

Q. Did he get any money out of it? A. No one got any money out of it, it was all expended in the development of the property.

Q. Did Brumell put in the property for nothing? A. That particular, the last property was purchased by the company from Sparks of Ottawa; part of the money of the bank went into the purchase price.

Q. I thought you said Brumell had the property? A. Yes, he had the control of the property.

Q. Had he the title to it or merely an option? A. He had some agreement with Sparks.

Q. Did he turn it over to the company at an advance? A. No, no advance, no profit of any kind made.

Q. So far as you know? A. I know all about it; I know there was no profit.

Q. He carried through the purchase from Sparks? A. Yes.

Q. How much was paid to him? A. $5,000 on account and a mortgage given back for the balance.

Q. Has that been paid? A. No, it is still on it.

Q. All the money you say was expended in development? A. Yes: the mill had to be refitted and the property re-opened.

Q. Who looked after the bank's interests in the matter in getting responsible parties on the loan? A. Mr. Travers I presume.

Q. Were you ever asked to become liable? A. No.

Q. Was Brumell? A. No.

Q. How soon after the bank started did the company get advances from the bank? A. I think that would be the fall of 1909 or the summer of 1909.

MR. COMMISSIONER: I do not understand about these bonds, what bonds was it that the bank had? A. The bonds of the Graphite Company.

Q. An incorporated company? A. Yes.

Q. What bond issue was there? A. There was a bond issue of $100,000.

Q. What became of those bonds? A. The bonds were pledged to the bank.

Q. For what? A. For the advances.

Q. For all the advances? A. They originally had $25,000 or $30,000 of bonds by direct purchase; the rest of them were pledged.

Q. What did they buy the $25,000 of bonds at? A. Par.

Q. What became of the money? A. The money went into the property in the re-fitting of the mill and the operation of the property.

Q. Who was the solicitor of the bank at this time? A. I was solicitor of the bank.

Q. Were you ever personally answerable for the debt before the corporation was formed? A. I may have been for part of it; I think I was one one note for $5,000.

Q. Who was on the rest of it? A. I think Mr. Brumell.

Q. What did that rest consist of, how much? A. It may have been $15,000.

Q. Who was Mr. Brumell? A. A mining engineer in the Province of Quebec.

Q. A man of any means? A. He has some means I think.

Q. Worth anything? A. I think so.

Q. You did not answer Mr. Hodgins' question as to whether the liability to the bank has been settled? A. The liability is still outstanding.

Q. How much is it? A. I think it is about $80,000 including the amount of the bonds.

ALEXANDER S. LOWN, Recalled:

MR. HODGINS: What do you know about this $3,000? A. Nothing.

Q. Did you have any talk with Travers before you went to Ottawa? A. I may have.

Q. About getting the certificate through? A. I cannot remember; I do not remember of any conversation.

Q. Do you know Mr. Peter Ryan? A. I know him by sight; I have never spoken to Mr. Ryan in my life; I know him by sight.

Q. You had known him in 1906? A. I knew him by sight.

Q. Was it your idea that there would be any difficulty in getting the certificate? A. I did not know of any.

Q. They turned it all over to Travers and if there was a difficulty he was to surmount it? A. Yes.

Q. When did your office as provisional director cease? A. It ceased on the day of the holding of that meeting, the 26th November.

Q. As a matter of fact it did not actually cease then, you continued to act? A. There was nothing done after that.

Q. You knew when Travers left for Ottawa I suppose? A. I do not remember seeing Mr. Travers between the time he left for Ottawa and the holding of that meeting.

Q. You had had some experience with political difficulties in Ottawa, had not you? A. I had been down several times in connection with various renewals of the Acts.

Q. And you had experienced difficulties from time to time getting renewals? A. Not very serious difficulties.

Q. You had quite a serious difficulty the last time? A. I do not think so; I was down there several days.

Q. You got Mr. Calvert to take charge of the Bill, didn't you; you canvassed the Committee thoroughly? A. Both myself and Mr. Urquhart were down there; I canvassed a number of the Committee myself.

Q. Don't you remember telegraphing triumphantly that the committee had turned down Mr. Fielding? A. I do not remember anything about that.

Q. You remember there was difficulty? A. More difficulty I think with the first renewal than there was the last, if I remember right.

Q. Travers says that somebody suggested that he had better grease the wheels in Ottawa? A. I did not suggest it.

Q. Did you suggest anything of the kind? A. No.

Q. Have you any distant recollection of any conversation? A. I have no—

Q. You are not likely to have left him altogether on the 26th November—if Travers was going down in a day or so to get the certificate on which depended your share of the additional $10,000? A. The matter was entirely left in Mr. Travers' hands.

Q. You would not drop out so completely as to have no interest in the matter? A. We certainly had an interest in it.

Q. Then he said somebody, he gives the names of four, he does not say which, suggested to him he had better take down some money? A. It was not I suggested it.

Q. Did you make any suggestion to him? A. No, not on that—not that I remember of.

Q. You were going to say not on that line? A. Yes, I was going to say that.

Q. What was the line you followed? A. I have no recollection of ever discussing what he would do down there. Mr. Travers appeared to be perfectly sure and perfectly able to take care of himself.

Q. There are just four people named, Dr. Nesbitt, Mr. Lindsay, Mr. Lown and Mr. Stratton; he mentions the four as having suggested taking $3,000 down there and giving it to Mr. Ryan? A. I did not suggest it, and I never heard of any of the others suggesting it.

Q. What suggestion did you make? A. I do not remember making any suggestion.

Q. You had had a good deal of experience in Ottawa, as I understand it, over these extensions of time; you are very likely to have had some talk with Travers about how you have surmounted your difficulties and how he could surmount his? A. We surmounted our difficulty by personally seeing the members; that is the only way we did; we never used any money or anything of that sort.

Q. Do you say you made no suggestion of that kind? A. I made no suggestion of that kind, not that I can recollect.

MR. COMMISSIONER: Did you tell Travers you had had to use money in connection with the renewal of the charter? A. No, I never did.

Q. Have you ever been able to find out about that money you got, the $560; do you know what it was for now? A. I do not know anything more about it than before; the money was paid in small amounts; it was mostly used by me for travelling expenses; it was out of pocket expenses as far as I can recollect.

Q. That is all you know about it? A. That is all that I can recollect about it.

W. J. LINDSAY, Recalled:

MR. HODGINS: You had succeeded in getting rid of the difficulty over what is known as the Laidlaw subscriptions? A. Yes.

Q. In October? A. I presume it was about that time.

Q. You knew it was money that had been raised by Travers? A. I do not know anything about that; the money was placed to my credit; I don't know where it came from.

Q. You did that for the sake of getting the thing through quietly? A. I was asked to do it.

Q. In removing opposition? A. I was asked by the solicitor to do it.

Q. And you did it? A. Yes.

Q. You acted on the solicitor's requests without caring one way or the other whether it went through or not; is that the attitude you take, that you were perfectly indifferent as to whether you would ever get a cent of commission if the bank did not go on, or were you vitally interested in it? A. It was not as a matter of commissions I was interested in it, it was a matter of business.

Q. They are somewhat similar in this case; do you take the attitude you did not care whether the certificate was got or not? A. I do not think I ever thought of commissions: I was called in and asked if I would do so and so; I afterwards put in my bill for the work done.

Q. And without thought of your commissions you did it; well, we need not go into that any more. Travers has named a group of men, all of whom were interested at that time, according to my view, some one of them having suggested to him that he had better pay some money in Ottawa; are you the one that made the suggestion? A. No, sir; I noticed that in the paper. As far as Peter Ryan is concerned, I did not know whether Peter Ryan was black or white.

Q. You do not pretend to be such a child as to not know Peter Ryan? A. I had never met Peter Ryan.

Q. You knew who he was? A. I do not recollect that I did; I am not a Toronto man.

Q. You say you did not know anything about Mr. Peter Ryan's position? A. No, I did not even know he was a registrar.

Q. Where have you been living? A. In Western Ontario.

Q. Milton? A. No.

Q. In Western Ontario; you could hardly have suggested his name to Mr. Travers? A. No, I did not.

Q. He says, Dr. Nesbitt or Mr. Lindsay—that is you? A. Yes, I presume so.

Q. Mr. Lown or Mr. Stratton, he cannot say whom, suggested that he should take down some money? A. If he had mentioned some more it would have been a still larger group.

Q. Had you any conversation with him? A. No, sir.

Q. Before he went down? A. No, sir.

Q. Or when he came back? A. I do not know that I had; I do not think I was in the city. Let me tell you I was absent for a month, I was in Montreal and in Ottawa, and got a telegram from New York from Major Currie, and I went down, and I came back through with Mr. Harry Corby, and I had all this data where I was at this particular time, and I was not in the city.

Q. Within six days after the granting of the certificate you got $10,000, so that you cannot assume you were so absolutely indifferent? A. I came back a few days before the organization meeting.

Q. That is before the 26th November? A. Yes.

Q. And you were paid your cheque on the 6th December; you do not mean to say you were away between those two dates? A. No, but I was away prior to that, at the time he would be going to Ottawa.

Q. He went on the 27th and you came back on the 26th November, so that you had every opportunity of speaking to him; do you mean to say you did not speak to him? A. I did not.

Q. A distinct recollection of that? A. I would have a recollection if I had done so.

Q. I am asking you if you did? A. I did not.

Q. You have a distinct recollection? A. I am absolutely sure I did not mention Peter Ryan's name because I could not.

Q. Had you a conversation with him? A. Not on that matter; I may have had a conversation, but I do not remember any conversation, but I certainly know I could not mention Mr. Peter Ryan's name because I had not the pleasure of his acquaintance.

Q. But you knew the usefulness of money, because you had just been using it to buy these people off? A. It was not a matter of buying off, it was a matter of giving them what was coming to them.

Q. You were familiar with the use of money? A. It was just the same as though you had asked me to go out and do a certain work and I said I would try and do it.

Q. Did you make any suggestion as to the value of the use of money in smoothing things out in Ottawa? A. I did not.

Q. Is Travers mistaken? A. When you hear what I say—

Q. Is he mistaken? A. Absolutely, as far as I am concerned.

Q. Can you account for his naming you? A. No, I cannot account for that, nor I cannot account for many of his actions in the last four or five years either.

MR. COMMISSIONER: I would like to understand exactly what your position is; do you want to give the Commission to understand that you took no interest at all except merely employed to go out and arrange with these stockholders at Milton? A. I took the same interest in doing it that as I did in the placing of the stock.

Q. Please answer, did you feel you had any personal interest in the matter? A. I felt I would like to see the bank go through.

Q. Answer my question? A. I was personally interested in the matter of commissions in connection with the bank.

Q. Did you not know that the effect of the success of the Laidlaw suit would be to prevent the bank going into operation, did not you hear that? A. I knew for a positive fact it would not go into operation if he succeeded.

Q. What would have been the result upon your claim for commissions? A. I felt when my work was done in placing stock at any time that my commissions were due and payable.

Q. Payable by whom? A. By the organization or the parties that had made the contract with me; at the same time—

Q. You felt no interest then in getting the bank started? A. I was quite anxious to see it started, and quite anxious—

Q. I do not mean sympathetic, I mean a personal interest? A. Yes, a personal interest.

5. You were personally interested also in getting the certificate, were not you? A. I did not know there had to be a certificate got.

Q. Never heard that? A. No, did not know anything at all, only the charter.

Q. When did you first hear that? A. In fact I think it was after the bank suspended.

DR. WILLIAM BEATTIE NESBITT, Recalled:

Mr. H. H. Dewart, K.C. was present during Dr. Nesbitt's examination.

MR. HODGINS: Your name has been mentioned by Mr. Travers as one of the four that had a discussion with him before he went down to Ottawa to get the certificate: you see you had been elected as a director and I think as president, on the 26th November, I assume you were naturally interested in what Travers was to do, that is to get the bank started; am I right in that? A. In what?

Q. That you were interested in what Travers was to do in the way of getting the bank started? A. Mr. Travers informed me as I told you before that he had complied with all the requirements necessary, and the issuing of the certificate was simply a matter of form; that is all I know about it.

Q. Did you believe that? A. I believed that absolutely; I had no reason for believing anything else.

Q. You knew that had to be granted by the Government? A. Yes.

Q. Do you say you thought absolutely it was a mere matter of form? A. Under the Act, as he showed it to me, he had to have so much money paid in and so much stock subscribed, and he had done that. Well, then as I understood it went through as a matter of form after that.

Q. You and he discussed his having complied with the Bank Act? A. He simply mentioned that.

Q. You said he showed you the Act? A. I did not mean he showed me the Act, but he said the Act required that there should be so much paid up and so much subscribed, and then when this was done they applied to the Government for their certificate and the certificate was granted as a matter of form.

Q. What was the occasion of your conversation about the requirements of the Bank Act? A. There was no occasion for the conversation about the requirements of the Bank Act; it was after the meeting and I do not remember very clearly, if was after the meeting, and he was going down to Ottawa to apply for his certificate, and I mentioned, as any one might, that he had complied with the requirements, and he was going to get his certificate.

Q. Did not you discuss that before the meeting when you were elected president? A. I cannot remember what little discussion we had before the meeting.

Q. I asked you whether you did discuss what he had done towards getting the bank organized before you accepted the presidency? A. He told me he had got his money, he had arranged, his money had been paid in, the amount that he required, and he had got the necessary stock subscriptions; that is as far as I know.

Q. What was the reason for that discussion, that conversation? A. What would be the normal reason? He wanted me to become president of the bank and he told me the position he had his affairs in, when he asked me to become president.

Q. You becoming president would want to know? A. I did not want to know; he wanted me to be president and he told me.

Q. You said you did not want to know? A. It does not follow in the way you put it.

Q. Do you mean to say he volunteered the information and you did not seek it; is that fair way of putting it? A. Yes.

Q. Did you investigate further, did you ask to see a verification of that? A. I cannot remember what occurred now.

Q. You say you thought it was a matter of form if he had complied with those conditions? A. Yes.

Q. Was time of any importance? A. I do not remember anything about that at all; I have not the slightest recollection about the thing having to be done in a certain time or not.

Q. You said it would follow as a matter of course; I suppose you know that sometimes the wheels of the Department run pretty slowly? A. I do not know.

Q. Did you never experience that? A. No, I cannot say that I did.

Q. Always ran pretty fast where you were concerned? A. Of course; the Conservatives do things much more promptly I have considered than the Liberals.

Q. It is quite likely you might have had some fear that Travers would meet with delay in Ottawa at that time? A. I did not think about it at all.

Q. Strange to say in this case I do not think any one could have acted with more promptitude so that your view would not be borne out by this particular case.

Did you make any suggestion to him before he went down as to how he should go about it? A. None whatever.

Q. Leave that entirely to him? A. Certainly left to him, he knew about the banking business, I did not.

Q. And the solicitor? A. They knew about the banking business, I did not know anything about it; they knew what was requisite, I did not know anything about it.

Q. Getting it through did you not make any suggestion as to what would help it through? A. I had no reason for making such a suggestion.

Q. Did you? A. I certainly did not.

Q. Is he wrong in speaking of some one of four, yourself, Mr. Lindsay, Mr. Lown and Mr. Stratton who suggested the use of money? A. He is absolutely wrong as far as I am concerned, because I would not make such a suggestion under any circumstances. I have been in public life all my life, and I never did a thing that I thought was wrong, and I certainly would not start with Mr. Travers or anybody else.

Q. Did you know Peter Ryan? A. I was Registrar of West Toronto; Mr. Ryan was a Roman Catholic appointed by the Grit Government; I was an Orangeman appointed by the Tory Government; that is as far as I knew him.

Q. It does not tell me anything? A. I was in Mr. Ryan's office once that I remember of in my life, and that was shortly after I was appointed; he took me up and showed me around his office, and his engravings—he has some very handsome engravings there. I always had a high regard for Mr. Ryan as a citizen, and I knew him as I knew thousands of more men in Toronto.

Q. You knew what Mr. Ryan's position was? A. I could hardly avoid it.

Q. Did Travers ever tell you when he got back anything about how he had got it through? A. I never remember Mr. Travers mentioning Mr. Ryan's name in any manner, shape or form in connection with the bank.

Q. Did he tell you how he had got it through? A. No; I understood he had things in perfect shape and he was very successful.

Q. When he came back? A. When he came back.

Q. As president, when he came back I should think you would be the one who would want to know? A. When he came back he told me he had got his certificate, that he had things in perfect shape; and as he said before he went down he did not think there would be any difficulty about it, and he had practically no difficulty at all. And as I understood he said it was a lot of red tape, it was not the way you run a bank, the way they run a Government.

Q. He said a lot of red tape? A. It seemed to him a lot of red tape; they ran a Government differently from the way they ran a bank.

Q. I suppose on that point his opinion would not be of very much value, but it was expressed to you at that time? A. Yes, I remember something to that effect.

MR. HODGINS: Mr. Stratton is to be here at a quarter past twelve. Is there any one here you wish to ask to be called, Mr. Ryan?

MR. RYAN: Mr. Atlas I understood you would call. I do not know him, but I asked you to call him because I understood he had some testimony to give.

MR. HODGINS: You asked for Mr. Calvert who will give evidence later on, and for Dr. Beattie Nesbitt, and Mr. Lindsay, Mr. Lown, and Hon. J. R. Stratton and W. H. Hunter.

MR. RYAN: Yes, I just wanted to have a house cleaning at once as far as I was concerned.

MR. HODGINS: I will call Mr. Fitzgibbon.

JAMES G. FITZGIBBON, Recalled by—

MR. HODGINS: When you sent the cheques down to Mr. Travers in Ottawa on the 29th November, 1906, did you take them out of the bank cheque book? A I do not know whether I did or asked Mr. Shaver to tear them out. I certainly sent them down.

Q. What bank were they on? A. The Traders Bank in Toronto.

Q. This stub book has not been put in; are those the stubs of the Traders Bank cheques up to the time the account was closed? A. Yes, sir.

EXHIBIT 90: Stubs of Traders Bank cheque book.

Q. You either took the blank cheques out yourself or got them from Mr. Shaver? A. Yes, who had the custody of them.

Q. When was the balance drawn out, do you happen to recollect, finally? A. I cannot tell from memory; I can tell from the stub here, that the last cheque payable to the Union Bank was on January 3rd, 1906, it is marked here, but it should be 1907.

Q. What was the amount of it, would that indicate that the balance was drawn? A. On the 21st December the then apparent balance was drawn out.

Q. How much? A. $74,579.53 was drawn out on the 21st, and January 3rd, $264.16 which probably was the interest up to the 31st of December on that account.

Q. On the 31st December, 1906, practically all the money would have been drawn out? A. Yes.

Q. When these three blank cheques were taken out and sent down by you, they must have been regarded by you as outstanding unless accounted for? A. Yes, we left space in the cash book to write them in when we were advised by Mr. Travers what they were drawn up for.

Q. Was that cheque book under your control? A. No, sir.

Q. Whose? A. Mr. Shaver had the custody of it.

Q. Had you the signing of the cheques? A. No, sir.

Q. You never signed any of those Traders Bank cheques? A. No.

Q. Who signed those? A. Mr. Travers.

Q. Space was left then in the books to account for those three cheques? A. Yes.

Q. Look at the stubs there, you notice Pringle & Guthrie's? A. Yes.

Q. Was that ever entered up? A. Yes.

Q. What about the other two cheques? A. The next one is marked cancelled.

Q. I am not speaking of the stub, what about those other two cheques, were they entered up? A. I could not say.

Q. As accountant you would certainly want to know, would not you? A. The books were written up at the end of the month; when Mr. Travers came back these cheques were I presume returned, the two unused ones were returned and used subsequently.

Q. Why do you presume anything about it? A. I do not know.

Q. If there was a $3,000 cheque outstanding that Travers knew about, if it was one of those cheques it would be a cheque on the Traders Bank? A. Yes.

Q. Where would it be presented when he wanted payment of it? A. At the Traders Bank.

Q. Were you shown that there was any cheque outstanding. A. No.

Q. Who directed the transfer on the 21st December to the Union Bank of all the money available? A. Mr. Travers.

Q. There was no such sum as $3,000 left in the Traders Bank? A. Not after the 31st December.

Q. What would happen to any holder of that $3,000 cheque, what would happen to it if they presented it to the Traders Bank? A. It would probably be refused by the Traders Bank, no funds.

Q. And protested, I suppose? A. Very probably.

Q. Did you make inquiries from Travers when that transfer was made to the Union Bank, as to whether all the cheques had come in? A. No, sir, I presumed that they are all marked off here, and the check mark that they had been checked and posted.

Q. You presumed that, but as accountant the Traders Bank was the sole account you had at that time? A. Mr. Shaver had entire charge of the cash book and the drawing out of these cheques.

Q. The writing of them? A. He kept the books and checked off the bank balances.

Q. What on earth were you doing? A. I was busy ordering stationery and the outfit for the bank, it had to be done in the month.

Q. Were you paying no attention to what was being done with the cash on deposit? A. I would certainly have known if there was a $3,000 cheque outstanding if we had been advised to write it on the stub.

Q. Was it not any part of your duty when the balance was taken out to ascertain if all the cheques were provided for? A. All the cheques we had a record of were provided for.

Q. How do you know? A. By the stubs, and the cash book was written up from those.

Q. Did you know that they were all provided for? A. I knew from hearsay from Mr. Shaver that he had checked them off, and the balance in our books agreed, from the posting of these stubs, agreed with the balance as shown by the Traders Bank books.

Q. You felt you should know it? A. Yes.

Q. And you did inquire from Shaver? A. Yes; the books balanced.

Q. And if a cheque had been presented at the Traders Bank the account was closed, and refused, and a Farmers Bank cheque, it would have looked pretty bad just at that juncture? A. Yes, it certainly would.

Q. Did you ever hear anything about that cheque that Travers says was presented at the Farmers Bank? A. No, I know absolutely nothing about it.

Q. The Farmers Bank was in operation in January, 1907? A. Yes, we opened on the 2nd January.

Q. If a cheque signed by the Farmers Bank, per Travers, general manager, came in from outside and was carried into the bank by somebody—? A. Drawn on the Farmers Bank?

Q. Assume he had changed one of these Traders Bank cheques and made it a cheque on the Farmers Bank according to his evidence as I recollect it, he would sign it Farmers Bank or W. R. Travers manager, so that it would be drawn from the funds of the Farmers Bank, what would become of that cheque if it came in, whom would it go to? A. It would be presented to the paying teller in the office downstairs.

Q. Who was the paying teller? A. I think it was Mr. Borrowman, I am not sure.

Q. It would be a head office disbursement? A. Yes.

Q. It would come to you? A. Yes, through the Toronto branch next day.

Q. It would come to you before that, would not it? A. No.

Q. At that time the bank was in operation and this was practically a head office cheque? A. Yes.

Q. There would be no head office account in the Toronto branch? A. All the head office disbursements paid out by the Toronto branch are charged to the head office and advised to us.

Q. I want to know whether there was any account in the teller's ledger headed "head office" which would have a balance in it to which we would charge head office cheques? A. Certainly there would be a head office account in the Toronto branch.

Q. If a cheque of $3,000 came in would he have any option about paying it or would he make inquiries from anybody? A. I should not think he would need to.

Q. If it came in by the hand of a messenger it would be an unusual thing, a cheque payable to Travers, manager, and endorsed by him, coming in from some man on the street who wanted the money for it, and should no inquiry be made? A. I say there ought to be.

Q. Was there any inquiry made from you? A. Not from me; I would not see it until after it had been paid and sent up the next morning with the other head office disbursements.

Q. You say no inquiry was made from you in January? A. No.

Q. When were the cheques, the Farmers Bank cheques themselves printed? A. I could not say positively as to that; I ordered them the first or second week in December and they were not delivered until close on to the end of the month.

Q. Would they be delivered after the 21st December, which appears to be the date at which the Union Bank got the money? A. I should say so.

Q. Delivered after that? A. Yes.

Q. Have you a positive recollection about that? A. No, but I know it was very late in the month because it took some time.

Q. Any cheque issued previous to that, if issued on an account in which the Farmers Bank had money would be issued on the Traders Bank? A. Yes, the Traders Bank up to the 21st of December, and after that up to the end of December and possibly running into January, on the Union Bank; the account was transferred to the Union Bank on the 21st December.

Q. If drawn in November on the Farmers Bank it would have to be a changed cheque? A. Yes, I should say so.

Q. The cheque on its face would indicate that? A. Yes.

Q. I do not see on any of those stubs there at that time any "C" or anything else? A. No, sir.

Q. So that if any of those is the stub of this cheque, "C" was not put on the stub? A. Not that I know of; I do not see it here; I do not see even a cheque for $3,000 here on the Traders.

Q. Do you remember a cheque for business premises, $3,000, in January? A. In January the cheques would be drawn on the Farmers Bank.

Q. Do you remember a cheque for $3,000 in January charged to business premises? A. I do not recall it, but I dare say there was one; I could tell you from the stubs. That would be signed by me.

Q. You spoke of a $6,000 cheque which you were directed to make out by Travers and you marked it on the stub, "Account C"? A. Yes.

Q. Did he tell you what "C" was for? A. No, sir.

Q. What did you understand it to be for? A. I did not understand it to be anything. I simply carried out instructions. He said it was to be charged to his commissions and just mark it account "C", so that he would be able to identify it, and if I remember rightly it was charged up to commissions.

Q. Did you investigate afterwards to find out what that $6,000 was used for? A. No, sir.

Q. Never interested yourself? A. No.

Q. Why not? A. It was not my business.

Q. You thought there was something suspicious about it? A. No, sir.

MR. COMMISSIONER: If the cheque were drawn on the Traders Bank and presented at the Traders Bank after the account was closed, would it not be pro-

bable that there was a sensible man in the paying teller's box, and he would refer the holder of the cheque to the Farmers Bank and say the account had been closed? A. He might do that.

Q. Supposing you had been there? A. I certainly would have done so.

Q. If that had happened, what would have been done with the cheque in the ordinary course when it came to the bank? A. It would in that case, being presented to the Farmers Bank, drawn on the Traders Bank, the teller or the manager, whoever it was presented to, would naturally take it up to Mr. Travers for authority to pay it.

Q. If Travers paid it out of the money he had there for the purpose of meeting it when it was presented, it would not go through the bank books at all? A. No.

Q. Did you ever see that cheque yourself? A. Not that I know of.

Q. You have not the slightest idea what did become of it? A. No, I thought I saw the cheque here in the early days of the Commission; I was shown a $3,000 cheque.

Q. It has never been here to my knowledge.

MR. HODGINS: This $3,000 cheque, dated January 7th, 1907, is Exhibit 60, is that the cheque that you saw here? A. Yes.

Q. That is what you were thinking of when you last spoke? A. Yes; I remember the figure on the back of it, but I thought it was on the Traders.

Q. That cheque is signed by the Farmers Bank, Travers, General Manager, payable to himself and dated January 7th, 1907? A. Yes.

Q. And is endorsed by himself? A. Yes.

Q. Would what is on the back indicate that twenty bills of the denomination of $100 and two $500-bills were paid out on that? A. Yes.

Q. And that was accepted by the Union Bank and would the stamp on it indicate it was paid by the Union Bank or is that paid by the Farmers Bank? A. No, sir; it is paid by the Union Bank of Canada on the same day it was drawn.

MR. COMMISSIONER: What was that charged to?

MR. HODGINS: Travers said it was charged to bank premises.

JAMES R. STRATTON, Recalled:

MR. HODGINS: Mr. Travers, when last examined, made this statement: "Before going to Ottawa I was told by a party, I do not remember who it was, I do not wish to be pressed on that point, I do not know whether it was Dr. Nesbitt or Mr. Lindsay or Mr. Lown or Mr. Stratton or whom, I cannot say, that I had better take $3,000 with me and give it to Mr. Ryan"—this was before he went down to get the certificate, and he mentioned your name? A. I had no such conversation.

Q. Had you any conversation with him? A. None whatever. I swore the last time I had no conversation with any one with regard to the bank further than the advance made by the Trust Company.

Q. You had a conversation with Travers when the $80,000 was being negotiated? A. Yes.

Q. And the $20,000 as well? A. No, I was not there when that was made.

Q. You at all events know about the matter, that the certificate had to be got, that that was his object in getting the money; the $80,000 was intended to complete the amount? A. The $80,000 was a loan to Mr. Travers.

Q. I am only indicating the purpose? A. I knew we were making the loan on the notes handled by Mr. Travers, but what the purpose was I was not informed at that time what the loan was for.

Q. Were you not informed what the loan was for? A. No.

Q. Why did you sign a cheque making it payable to the Bank of Montreal? A. I had nothing to do with the signing of the cheque.

Q. Do you mean to say he came to you and you did not ask what that $80,000 was for? A. Any discussion he had in the matter was with Mr. Warren. I knew the loan was being made to Mr. Travers, and it was to be used in connection with the Farmers Bank, but how I was not informed.

Q. Do you deny having that conversation with Mr. Hughes Charles, of Peterboro? A. I deny having it in the sense that Mr. Charles put on it.

Q. You did discuss the loan? A. Yes.

Q. You did not discuss the amount that had been made out of it? A. I said the Trust Company made a loan.

Q. That was before the bank started? A. Just about the time.

Q. Do you still say you did not know what he was getting the $80,000 for? A. I still say that I did not know he was obtaining the $80,000 to make a deposit with the Government; he and Mr. Warren had all the conversation with regard to it, and all I said to Mr. Warren was, if his security was all right, it was all right.

Q. Did he discuss his security with you? A. He discussed that with Mr. Warren; my conversation with Mr. Travers and Mr. Warren was very short.

Q. Did you know who Travers was? A. Not till that time, never heard there was such a man in my life.

Q. Did you hear he was getting up the Farmers Bank? A. Not till he came in and spoke of it at the time.

Q. He told you at that time? A. He said the money was for the purpose—

Q. For the purpose of what? A. These notes had been given to the Farmers Bank and the Farmers Bank directors had endorsed them over to Mr. Travers; as I understood, the loan was a direct loan to Mr. Travers.

Q. But you knew the object of it? A. The object was not discussed with me.

Q. You knew it? A. I cannot say I did or did not, as there has been so much newspaper talk and so much about it since.

Q. You generally want to know a little more about a loan than that? A. Not in a case of that kind where the security is ample.

Q. You are not quite so easy as that? A. Sometimes you know you trust your general manager, the details of a transaction.

Q. Did you have no talk with him at all after that? A. None whatever.

Q. Never made a suggestion to him when you did have your talk that he might help things in Ottawa? A. Never used such an expression.

Q. You know Mr. Peter Ryan? A. Yes, I know him pretty well.

Q. Know his position? A. I do; I had no conversation with Mr. Ryan.

Q. So that you would recollect if you had any conversation in which his name was mentioned? A. Sure.

Q. Was there any such? A. None such.

Q. Sure? A. Positive of that.

MR. RYAN: Mr. Pearson is here, and he will corroborate about the sale at Ottawa; if anything is lacking there he can tell you.

MR. HODGINS: I really do not think he can make it clearer at all. One can never tell what [illegible]

SESSIONAL PAPER No. 153a

PETER RYAN, Recalled by—

MR. HODGINS: I think you are in a position to throw some light on when the Farmers Bank cheques were ordered and delivered? A. Yes.

Q. If you can give me the information so that I can depend on it, I will be glad to have it? A. In my efforts to clear everything up I have been fairly busy since, and amongst other places I went to Rolph & Clark, the engravers and lithographers, having heard that the Farmers Bank cheques were engraved by them. I ascertained there—I am sorry the papers are locked up in my little box and I left my keys at home, but I can give you the dates.

Q. What are the dates? A. They were ordered by the Farmers Bank on the 21st of November, 1906, and the first delivery of their cheques made on the 31st December and the second delivery of cheques on the 2nd of January; the third delivery on the 15th of January. I have them all in my memory.

Q. That accords pretty well with what Mr. Fitzgibbon says? A. I think so, except Mr. Fitzgibbon cannot give you the particular dates and I have given them to you.

Q. And that is from an inquiry at Rolph, Clark & Company? A. Yes, I went there for the purpose of ascertaining whether there had not been some mistake in issuing a Farmers Bank cheque on the 28th of November.

The Commission adjourned at 12.45 p.m. to 2 p.m.

The Commission resumed at 2 p.m. July 16th, 1912.

GEORGE TAYLOR DENISON, Sworn, Examined by—

MR. HODGINS: You are Police Magistrate in the City of Toronto? A. Yes, sir.

Q. And a great many of these cases arising out of the Farmers Bank prosecution came before you? A. I think they pretty nearly all did; I do not remember very clearly.

Q. I suppose I cannot ask you to remember the individual exhibits that were produced before you, but have you any system in your Court of marking Exhibits produced? A. Yes, they are marked by Mr. Webb, and he passes them up to me, and I sign them. If you show me any I have signed I will tell you.

Q. There are some that have been signed in that way? A. I think that is almost invariably done unless they are put in in a bundle, and then the bundle is marked.

Q. Into whose custody do they come then when they are marked by you as Exhibits? A. They are generally kept with the papers by either Mr. Webb or Mr. Morrison until they are sent over to the other Court, if it is for an investigation and it is going to the other Court they go across there and we are through with them. If I am trying the case summarily they will keep the papers and they will be there at the Police Court. I tried Mr. Travers summarily.

Q. Mr. Morrison is the Police Court Clerk and Mr. Webb is his assistant? A. One of them.

Q. So that they would be responsible I suppose for the custody of them till they got rid of them in your Court? A. Yes, they would look after them until they got rid of them.

Q. What jurisdiction have the Detective force—I do not know that I quite understand what their relation is to the Police force;—when an information is laid and papers come into the hands of the detectives? A. They are very often left with them. We have every confidence in the Detective Department and we

very often leave them with them: at least I perhaps should not speak confidently about that, Mr. Morrison could tell more about it, but my impression is very often the papers are left in the hands of the Detective Department if they are interested in the working up of the case.

Q. Have the Police Commissioners passed any rule regarding the custody of papers the Detectives seize? A. No, I do not think that would be in their line of business at all, because they have not any control over my Court.

Q. I am speaking of any regulation regarding the custody of papers when seized by the Police? A. When they are seized by the Police, the Police take charge of them until they are brought up and used in the Court, and sent over to the other Court, if they are sent over to the other Court.

Q. Would it be within the Province of the Police Commissioners to make any regulations regarding the custody of the papers? A. I suppose they might if it was necessary, but they assume the detectives will take proper care of them.

Q. Are there any regulations preventing them being seen by unauthorized people, although I fancy that sometimes they are, at least I heard so, that the detectives have shown papers to people. In this case two papers are missing and we are trying to locate them? A. They got over to the High Court I fancy, or at least were lost on the way. We cannot be held responsible for what happens after they have gone and left our hands, you know; they may have gone to the County Court. Mr. Morrison or Mr. Webb probably could tell whether they left our hands and were sent over. I could not tell because I never hear anything about these cases after I have committed for trial.

Q. Can you tell me this, the question was raised during the investigation: is it possible for a detective or a member of the Police force to get a warrant for the arrest of a criminal? A. Yes, if the detective comes to me with an information sworn to charging a man with a criminal offence, and with a warrant prepared and so on, I swear him, and he goes away and that is the end of it; I do it by scores and hundreds.

Q. You sign the warrant? A. For a detective, yes, and any informations that come up to me from my own clerk's office I swear them at once; any that come from Inspector Archibald I sign those in piles that high without having time to read them.

Q. As a special mark of favour to him? A. No, he is the officer who is supposed to attend to that. I sign them and Mr. Morrison generally takes them off as fast as I sign them. I do not think you gentlemen who are dealing in the other Courts have any idea of the amount of business we do: for instance this morning on my calendar I had about 125 or 126 cases on the list, 42 indictable offences on the roll. Well, you can easily understand we have no time to look into things. As far as I am concerned I do them as quickly as I can, and there is no possibility of devoting much time, and what is more I do not know what it is going to come to, because this last half year, I got the return up to the 30th June, and there were 3,483 cases additional, more than there were the six months before. I do not think there were 3,000 writs issued in the Superior Courts of the Province.

Q. There would be nothing to prevent a detective getting a warrant? A. No, if he brings the information properly prepared, they generally come with a warrant and copy together, or a warrant anyway and I swear them and sign them.

Q. It has been suggested that the Crown Attorney was the only officer who could authorized the issue of a warrant? A. There may be some little foundation for that in this sense: sometimes my clerks will refuse a warrant, they think there is no case and they will say "We will give a summons" and if they are not satisfied I think then my clerks say "Go and see Mr. Corley and get an order", and they will perhaps go and get an order and the thing comes down and is made out.

Q. If they did not go to Mr. Corley they would go to you? A. They do not very often go to me; if they came to me and I looked into it, I might say "You are quite right about that" and I would not give a warrant. They generally go to Mr. Corley. As far as regards the detectives, a detective brings me a warrant and I will swear it for him, you know, because they are supposed to know all the facts and I do not.

Q. You think Mr. Morrison will know about the custody of these papers? A. I think he ought to know about that.

CURRAN MORRISON, Sworn, Examined by—

MR. HODGINS: You are the Police Court Clerk? A. Yes.

Q. You are also a Justice of the Peace I believe? A. Yes.

Q. Have you the jurisdiction of a magistrate to issue warrants? A. Yes, I issue them.

Q. At the request of anybody who brings an information? A. No; parties who apply to me for an information, either for a summons or a warrant, I look into the case, and if I am not satisfied with it I would not grant it.

Q. But if satisfied? A. I would.

Q. Do you require the Crown Attorney's authority? A. No, I do not.

Q. Are many warrants issued by you for the Police and the Detective force? A. Yes, in the absence of the Magistrate I sign them all, those that are brought to me.

Q. Do you take charge of the papers that are connected with the case? A. No, Mr. Webb attends to that.

Q. He is one of your assistants? A. Yes, he sits in Court and takes the Exhibits as a rule.

Q. When he does that in whose custody do they remain? A. If they are important papers they generally go into the vault.

Q. In your office? A. Yes.

Q. And when you part with them to the High Court or the County Court or the County Judge's Criminal Court what do you do? A. Take a receipt for them.

Q. From whom? A. Whoever we deliver them to.

Q. Generally to Burns? A. The Constable?

Q. Yes? A. For the Crown Attorney.

Q. Very often there are quite a number of papers in the hands of the Police or the Detective Office that are not filed as Exhibits? A. Yes, we would not have anything to do with those at all.

Q. Do they never come under your control at all? A. No, not unless they are put in we would not have anything to do with them at all.

Q. While the exhibits are in your possession has any one the right of access to them in practice? A. No, not any one; if he has proper authority we would let him see them.

Q. That would have to be referred to you or Mr. Webb and he would then judge? A. Yes.

Q. You would permit inspection? A. By defendant's counsel or anything like that would let him see them at once.

MR. COMMISSIONER: Do you allow the counsel for the public, as the Press probably call themselves, access to papers? A. No, we do not always.

Q. Do you ever? A. If the Court is being held, and any member of the Press should ask for a paper I suppose Mr. Webb would let him see it while the Court is sitting.

Q. But not until it becomes public property? A. No.

JOSEPH E. ROGERS, Sworn, Examined by—

MR. HODGINS: You are the Superintendent of the Provincial Police? A. Yes.

Q. Did you occupy that position for the last couple of years? A. Since 1909.

Q. Speaking generally what are the functions of the Provincial Police with regard to criminals or suspected criminals? A. We take absolute control of all criminal matters in the unorganized portion of the province: we assist the High Constables in the organized portions of the province when requested, the City Departments, or anybody else.

Q. When requested; what do you call the unorganized districts? A. The Districts of Muskoka, Parry Sound, Nipissing, Algoma, Kenora.

MR. COMMISSIONER: Without County organizations? A. Yes.

MR. HODGINS: I did not know whether you were using that with regard to the newer portions of the province? A. No.

Q. If any one is in any of these districts it would be within your supervision or charge? A. Yes.

Q. As distinguished from the organized districts where the local police are supposed to be supreme? A. Yes.

Q. You remember a warrant for the arrest of Dr. Nesbitt was issued, when did you learn of it? A. The first information I had was through a communication from Mr. Corley which was received by me on the 26th January, 1911.

Q. Were you requested to make the arrest or were you furnished with any information to do so? A. Copies of two warrants were forwarded to the Deputy Attorney-General with the request that any assistance that could be rendered to do so.

Q. On whose information were those warrants sworn out, the copy of the warrant would show would it not? A. No.

Q. Who was the warrant granted by? A. Curran Morrison; both are dated on the 14th of January, 1911.

Q. Were any steps taken by your Department to act upon those when you received that request? A. Yes, at the time we received these warrants, of course, the Press had given an account of Dr. Nesbitt's escape from the island in Muskoka.

Q. How long before? A. Some days.

Q. Had you any reports indicating where he was during the week previous to your getting that notice? A. I had a report from my officers, one stationed at Bala, one at Parry Sound, one at either Webbwood or the Soo that he had passed them; three of my officers saw him between Bala and the Soo.

Q. When? A. At the time he left the island.

Q. At that time had they or you any information that he was alleged to be guilty of any offence? A. No, the first notice that we had from the Police Department that Nesbitt was wanted was some time in March, 1911.

Q. You got the information from the Police Department in March, 1911? A. They sent me a number of circulars which they asked me to distribute among my men in the north.

Q. I suppose that is the first official notice you got? A. Yes.

Q. Did you get any request from the City Police for assistance previous to that and previous to Dr. Nesbitt leaving the country? A. None, whatever.

Q. Mr. Corley's letter to you enclosing the warrants was for the purpose of what, extradition or what? A. No, Mr. Corley wrote and asked us to do what we could to apprehend Nesbitt.

Q. Is there any reason you can give why you were not applied to earlier by whoever had the information? A. I cannot explain that sir. I may say between the time that Mr. Corley wrote us and the time that the circulars were received by my Department all information that came to my knowledge was for-

warded to the High Constable of the City of Toronto, the Chief Constable, I think on two or three occasions, information came I sent it to them before we knew officially that he was wanted.

Q. Take this particular case; here is a Farmers Bank failure, the papers are seized in Toronto, the locality is Toronto, and some one accused of an indictable offence is up in Muskoka, the information about the crime is down here, the offence is down here, was it your duty, having seen or learned anyway that such an offence had been committed to interpose,—was that the duty of the City Police or you—I do not understand why some action was not taken? A. I did not know that a warrant had been issued, for Dr. Nesbitt till I received the communication through the Deputy Attorney-General from Mr. Corley which was on the 26th.

Q. Did you know anything about any information that was laid against him? A. I did not.

Q. What is the course that is adopted, when a warrant is sworn out, say in Toronto, and the execution of it is in one of the districts where you have jurisdiction, what is the usual course pursued? A. Well, the Police here sometimes communicate direct with my inspector or through the office here in Toronto, and which ever way it receives prompt attention.

Q. What is the course when a warrant is issued in Toronto for the arrest of somebody up in your jurisdiction, who executes it? A. If they request or notify us that a person is wanted we immediately try to apprehend the person for them, but that is only when we get a notice; we do not know what warrants are issued in Toronto.

Q. Inspector Duncan seemed to have been dissatisfied with what he thought was his failure to get a warrant without the permission of the Crown Attorney and seems to think if he had got it a week earlier he would have been more successful; are you able to say whether that is the case? A. I cannot speak as to that.

Q. If you had had information a week earlier, or a warrant, could you have arrested Dr. Nesbitt? A. If we had had the information the day the warrant was issued, and a request from the Police for assistance I am satisfied we could have apprehended Dr. Nesbitt before he got to Sudbury.

Q. Are you able to account at all for why you did not get that request? A. I have no explanation, I cannot say.

Q. There was a suggestion that there was a certain feeling of jealousy between the Provincial Police, or friction, and the City Police? A. Absolutely none between the two departments, while there was friction between Inspector Duncan and myself.

Q. Had that friction occurred in 1911? A. Prior to that, but my Department have apprehended several people in the Cobalt and other northern territories; no friction whatever as between the two Departments; we are working in harmony.

MR. COMMISSIONER: What is the nature of the friction between you and Inspector Duncan? A. Really so far as I know, a matter of jealousy on an extradition that I was directed to take up by the Premier and the Attorney-General.

Q. It is professional entirely? A. Purely a personal matter that he took objection to at that time.

MR. HODGINS: Perhaps I should just ask you this; Inspector Duncan was asked whether it was a fact that he was annoyed and made a statement that he had been sent on a wild goose chase, the authorities knowing or having warned Nesbitt that he was coming; he was asked if he made that statement or a statement of that kind and he said, page 1604, "I made a statement I think along that line when I came back, but that was the time that Dr. Beattie Nesbitt cleared out"; so far as you are or may be an authority, was any warning given of any kind to Dr. Nesbitt? A. At the time mentioned there I did not know that a complaint had been made against Dr. Nesbitt nor did I know that a warrant was issued for his arrest."

MR. COMMISSIONER: You are not answering the question he asked you, if there was any warning given? A. None whatever from my Department because I did not know that he was wanted.

J. W. SEYMOUR CORLEY, Recalled by—

MR. HODGINS: Adverting to the evidence of the last witness, you remember notifying Superintendent Rogers? A. Yes, it is the duty of the police to notify at once of warrants where the people are suspected to be in this jurisdiction.

Q. In order to catch them? A. Yes; if they have left the country the information is sent by me to the Deputy Attorney-General to arrange for their extradition; that is why that letter was sent to Mr. Cartwright; I notified my superior officer that this man was absent from my jurisdiction, and there was a warrant for him. He had known of it from conversation with me previous to that.

Q. Previous to the time that the warrant was issued, had you any knowledge with regard to what was charged against Dr. Nesbitt? A. No evidence was ever submitted to me of any crime against Nesbitt that would justify an arrest until Mr. Clarkson submitted the information. Then I sent for Inspector Duncan; he and Mr. Bicknell and Mr. Bicknell's clerk, and Duncan and I were together, and he left to get a warrant and I went to my house on Saturday afternoon and Duncan went and got a warrant and went north. There was a suggestion of a warrant being asked for before that by Duncan; it was to charge Dr. Nesbitt with forgery in making a return to the Government; it was one of those monthly returns, I think, that he had made a false document, consequently a forgery, by signing a document that was untrue, with his own name; I did not think that was forgery, I did not think it came under that class of crime. I submitted that to my superior officer, Mr. Cartwright, who said he did not think it was forgery. Inspector Duncan said it was, and he said the County Judge said it was. I had my doubts, and I submitted the matter to Mr. Cartwright, and he said he thought I was right.

Q. Was that the first time a warrant was asked for? A. There never was a warrant asked for; that matter was submitted to me before Duncan swore out a warrant on the information furnished by Mr. Clarkson.

Q. I thought you said a warrant was asked for? A. No, that was discussed whether it was a forgery: there was no application made for a warrant. He did not need to consult me, if he had any evidence, or without evidence, as Colonel Denison said, he could have gone to him with a sworn information that a man had committed a crime and got a warrant.

Q. He said the County Judge had told him it was forgery and you said it was not? A. Yes.

Q. That being the case, had he the right to go to the Magistrate if he chose to swear that he believed this crime had been committed? A. Whether he had a right to do it or not, he did do it afterwards, and he could have got it then. Colonel Denison never reads the information sworn to, nor does he read the warrants submitted to him; they are written by his clerk, and as he swore to-day, sworn to before him in bunches; I have seen them that thick, perhaps fifty or sixty at a time, and he signs them while Court is going on, and hearing evidence in other cases. I wanted to make it clear, the first mention of a warrant against Nesbitt was that morning of the day on which Duncan left for Muskoka.

MR. COMMISSIONER: When the warrant was actually issued? A. Yes; on that same warrant, Superintendent Rogers reminds me, that he was arrested in Chicago and they did not proceed on it, because it was not considered forgery.

Q. What you mean—was eventually Duncan did lay an information for forgery in respect of the return? A. Yes, sir.

Q. And he was sought to be extradited on that, and what? A. They did not consider it a forgery in the States; it would have to be a forgery against the laws of both countries, and it certainly was not against theirs, as they said.

WILLIAM R. TRAVERS, Recalled:

MR. HODGINS: You have heard the evidence this morning of the four or five gentlemen that were named, one of whom is said to have made a suggestion to you to take the money down and give it to Peter Ryan? A. Yes, sir.

Q. Are you able to pick out the one now? A. No. I do not think it was Mr. Stratton, because it was said to me in my office upstairs, and I know he never was there, it came to my mind. In the absence of the cheque to refresh my memory I cannot throw any further light on it.

Q. The cheque would not help you to remember who suggested taking it down? A. I think if I had the cheque it would probably assist to unravel it. The cheque was taken from my desk, it was in the hands of the Crown, I saw the cheque there in the hands of the authorities; with that cheque I could refresh my memory in such a way I think that would enable you to solve the question. I want to correct, though: I said I was in No. 6 Committee Room in Ottawa; I should have said 16.

Q. These are the stubs from which the cheque came (Exhibit 90)? A. I cannot say that without seeing the cheque.

Q. Why not? A. I do not wish to be contradicted and adverse criticism made in the newspapers, as they are, without something to go on that I can absolutely carry through, and in the absence of that cheque I cannot go any further.

Q. What bank was it on? A. It was on the Traders Bank.

Q. Was there any cheque book being used at that time other than that? A. No; no other official cheque book.

Q. If it came out of that—? A. I do not say it came out of that.

Q. Do you remember saying that on the cheque or on the stub, the first time you mentioned it, there was a "C"? A. No, I never referred to the fact that there was a "C" on the stub in any of my evidence; what I did say was that Duncan found "C" on the stub and tried to locate the cheque he had with that stub.

Q. I do not find any "C" on the stub in that book? A. I saw a stub of the cheque book in his hands that had a "C" on it.

Q. What bank? A. That I cannot say without seeing the stubs.

Q. If it was a Traders Bank cheque it would be a Traders Bank stub? A. Yes, but I cannot say what the stub is now.

Q. What is there on the cheque that would tell you? A. There are several things on the cheque; if I had it I think I could refresh my memory.

Q. That would tell you who made the suggestion of these four or five people? A. I cannot answer you that question; I want to see the cheque and I think I can give you such information that you can unravel it.

Q. Why cannot you give it now? A. No, I cannot give it now; my memory does not serve me right; it is over six years ago.

Q. What are you trying to think of? A. I have been trying to assist you in the matter; I have gone as far as I can go.

Q. The cheque would assist you in what direction? A. If I see the cheque it will assist my memory: I want to see what number I put on the back of it; I want to find out whose room that was; I am satisfied it was given to me as somebody's room, and I want to see who I paid the cheque to.

Q. Don't you think this cheque (Exhibit 60) was the cheque you drew out and paid the money? A. I would not think so; I have been thinking over it, and I do not think so; that is not the cheque.

Q. Would not that be the cheque that was drawn out to pay this other cheque? A. I do not think that is the cheque.

Q. Look at the back? A. Yes, but I do not think that is the cheque.

Q. What do you mean by that is not the cheque? A. The cheque you are referring to.

Q. I am referring to that $3,000 cheque; I am asking you if that is the cheque that drew the cash out to pay the $3,000? A. I do not think so; it may have been, but I do not think so.

Q. If the $3,000 cheque was on the Traders Bank you knew that that was outstanding? A. No, I did not; I knew it had not been paid.

Q. Were not you a bit apprehensive that if you drew all the money out of the Traders Bank, left nothing in there, that whoever presented that cheque would meet with more or less difficulty in getting the money? A. That is the very reason I put my card in with it to present it to me, because I knew I had not the money, because all the money was up in Ottawa, and I also knew I was going to change my bank account very quickly.

Q. Of course you knew the money would come back the moment you got your certificate? A. I was not sure after the hitch that took place when the money would come back.

Q. What hitch took place? A. The first day I went there I expected to get our certificate and we did not.

Q. You mean on the 28th? A. The very first day I went to the Department I expected to come with the certificate.

Q. What was the hitch? A. The hitch was we did not get the certificate till the Friday following.

Q. What was the hitch? A. I do not know of any particular hitch any more than they held us up, or rather Mr. Fielding was too busy I suppose.

Q. I do not understand why you say you did not know the money would come back at once owing to the hitch? A. On the top of what we had gone through with Laidlaw's writ, and then their demanding a special list of shareholders, and getting down to Ottawa, and the question came up about subscriptions, one thing after another, I did not know what was in the wind.

Q. You got scared on the 28th November, in Ottawa and you sent Mr. Hunter back? A. I cannot say that.

Q. You told him to send you down these cheques? A. I did.

Q. You thought you would have to use them? A. I did.

Q. Did you tell him so? A. I did not tell him what I was going to use them for. I heard his evidence, and I would not like to contradict him: I know I told him I was going to Montreal.

Q. Did you say to the Traders when closing the account that if there was anything else came in it was to be sent on to the Farmers Bank? A. I did not, I do not know whether there were such instructions given from the office or not.

Q. Did you leave that cheque just to take care of itself and come back? A. I did.

Q. You said you had been drawing small sums from time to time to provide for that? A. I said I had provided for it.

Q. I do not find any small sums had been drawn by you at all between the two dates? A. I do not know if I said small sums or not; I said I had provided for it.

Q. I think you were a little more explicit, you said you had been drawing small amounts from time to time so as to have enough money to pay for it when it came in, and I do not find anything withdrawn between the dates; how had you provided for it? A. I will have to see the cheque and see when I paid it.

Q. How had you provided the money with which it was to be paid? A. By drawing it out from my own account.

Q. From what bank? A. It may have been after the 1st January, out of the Farmers Bank and it may have been from the Traders Bank or the Union Bank on commission, account, I could not say.

Q. You would not have commenced to draw it before the 30th of November? A. I cannot say.

Q. That is the day the cheque is said to have been given? A. No, not till after I came back, some little time.

Q. There is nothing at all between the 30th November and December 7th, when that $5,000 was taken out? A. I could not tell.

MR. COMMISSIONER: We have not got a date fixed when the cheque was paid; he says it was some time afterwards when the cheque was paid? A. No, I have not the date fixed; I am puzzled over that, because that is not clear in my mind; I would like to see the other cheque.

MR. HODGINS: We would all like to see that. A. That is not my fault it is not here. I want to add to my evidence that on the 17th June, I was up in the liquidator's office, and Mr. Peter Ryan came in and Mr. Clarkson stepped out and he came up to me and told me to be brave, that he would look after my interests.

Q. Who came up to you? A. Mr. Peter Ryan. The guard saw him; I do not know whether he heard what he said or not.

Q. What guard? A. The guard that is in charge of me.

Q. The 17th June, that is this year? A. Yes, just last month.

Q. If you saw the cheque and saw the room number on it and then traced up whose room it was, would it alter—? A. I cannot give you any further information without the cheque.

Q. Supposing you saw the cheque and the room number on it, and you found out at the Russell House whose room that was, would that change your evidence that it was Mr. Peter Ryan whose name was on the envelope? A. No, not in the least. That is quite clear in my mind.

Q. You put the room number on assuming it was his room? A. That is my recollection.

Q. If it turns out to be Brown, Jones or Robinson's room, do you think that would help you if you knew that? A. Yes, I think so.

Q. In what direction? A. I think that the number of the room I put on there would probably lead to something else.

Q. Indicate who got the money? A. I think so.

Q. Did you make any direction it was to be sent up to that room? A. No, I did not.

Q. Who was the paying teller? A. I could not tell you that.

Q. Who was the paying teller when that cheque came in;—I am instructed that Mr. Frayne was local manager and was not the paying teller? A. I could not tell you, no.

Q. That the paying teller was McCallum? A. I could not say.

Q. This is in January, the beginning of the bank's business, don't you remember who the paying teller was? A. I could not tell you; Mr. Fitzgibbon was paying teller for a while, and Mr. Frayne was teller, and Mr. McCallum was teller, I could not tell you which one.

Q. How did you find out the number of the room? A. My recollection is I asked somebody behind the counter.

Q. Do you know who that was? A. No, I could not remember who it was.

Q. That is what I was looking for, page 1664: "Q. What did you charge the $3,000 up to? A. It is charged up to my commission, that is my recollection; I drew it out in several cheques". A little further down you say, "I had

drawn the money out of commissions prior to the cheque coming in, and I was providing that $3,000 to keep it on hand for the cheque "? A. That is correct.

Q. Mr. Ryan wanted some questions asked, and I suppose I may as well ask you them; but before I do that, so far as the books show there was no drawing at all of yours from November 24th to December 7th, when you drew the $5,000 on the occasion of Dr. Nesbitt and Lindsay coming in and on the 19th December, when $1,800 was drawn and nothing till the 20th February? A. Yes, but how many thousand dollars did I draw before that?

Q. Before the 24th November? A. Yes.

Q. My. Ryan wants to know whether you conversed with any one since the last examination on the subject of this cheque with the guard, for instance? A. No, I never said anything to the guard, with the exception of this morning to ask him if he would jog his memory with regard to Mr. Ryan coming in to see me.

MR. G. T. CLARKSON: There is not any doubt about that: Mr. Travers was in my office and Mr. Ryan came in and spoke to him in the passage-way.

MR. HODGINS: Did you ever mention Mr. Ryan's name to any of your associates? A. I don't think I did.

Q. Did you ever speak to him personally as to leaving that letter in there, did you ever speak to him personally about the cheque or suggest who got it or ask him what he did with it? A. No.

Q. Mr. Ryan says that you said you had pledged your honour not to disclose his name? A. No, I never said that.

Q. I did not recollect your saying it, but Mr. Ryan says you did not want to name him because you had pledged yourself? A. I cannot say whether Mr. Ryan got it or not, and I never said so and do not say so now.

Q. Mr. Ryan's impression is when you were examined before you pledged yourself not to mention his name? A. No.

Q. And he wants to know have you thought who the pledge was given to? A. I never said that.

MR. COMMISSIONER: I think that was from something I said when asking the witness to tell the destination of the cheque. I think I made some observation of that kind and I think probably that is what it has been confounded with.

Q. I think this was spoken of before, did you notice this cheque was drawn out in twenty $100-bills and two $500-bills (referring to Exhibit 60); is there anything in that to suggest what this cheque was for? A. I cannot recall what that cheque is for, but those figures on the back bring to my mind the money I paid out for the other one.

Q. What did you pay out for the other one? A. I paid out large bills for it, but after seeing that cheque I have an idea I changed the money for that, to make it larger than the money I had.

Q. You have said you did not see Mr. Peter Ryan get the money, no words passed between you and him about that before it was left or after it was left? A. No, sir.

Q. You said something about a card, I think you left something to be inferred which you did not say? A. I said I put in it that I would pay the cheque if presented to me at the counter in cash.

Q. Have you mentioned that before? A. Yes.

Q. When it was suggested to you as you have stated, that money would perhaps be very useful and Mr. Ryan's name was suggested, was nothing said by you to the person as to why Mr. Ryan's name should be mentioned? A. No, sir, I do not remember anything being said.

Q. Was it not a very loose way of dealing with $3,000 without knowing anything at all about whether any arrangement had been made, or that you just trusted—? A. No, I just took that chance; I thought they knew what they were talking about who spoke to me.

Q. How is it you cannot recollect the individual; I should have thought that would have impressed itself upon your mind? A. Well, when I mention a name they contradict it; I have a pretty good idea but I cannot swear to it.

Q. As I recollect what you said, what Mr. Hodgins was reading, besides the four persons whom you named you added "or somebody else"? A. No, I do not think so.

MR. HODGINS: What he said was: "Before going to Ottawa I was told by a party, I do not remember who it was, I do not wish to be pressed on that point, I do not know whether it was Dr. Nesbitt, Mr. Lindsay or Mr. Lown or Mr. Stratton, or whom, I cannot say".

MR. COMMISSIONER: Have you any recollection of when and where you last saw the $3,000 cheque? A. The last time I saw the $3,000 cheque was with Inspector Duncan.

Q. When? A. I cannot fix the time, it is some time ago.

Q. Can you fix it with relation to any of the prosecutions? A. It was about the time that you were to sit I think in the Criminal Court yourself, about a year ago.

Q. That would be May? A. There were two parcels of documents, there was one parcel of documents that referred to each of the cases that I had gone over with Duncan, there is another parcel that contained the World letters, the missing letter of Mr. Matheson, this cheque and some other matters in it.

Q. What kind of things? A. They were letters.

Q. All your private letters? A. Yes, there were other cheques there as well, I cannot recollect just what those were.

Q. You told us there was a discussion with him and he saying he knew to whom that went? A. Yes. He had the cheque in his hand, and he was asking me about the "C" that was on it; the "C" was on the number place; and then he turned it over and commenced to ask me a question about it further and I thought he would see the number on the back of it, and just about that moment somebody came in and spoke to him, and when he went back again he picked up another document, and I did not say anything more about it.

Q. Are any of the other papers that were there in that parcel missing? A. The World letters are missing.

Q. I thought they are here? A. No, sir, there were other letters there.

Q. Anything else? A. I do not remember just, there were several papers in it, different odds and ends, some private things of my own.

Q. Where do you say that letter of the Provincial Treasurer and that cheque for $3,000 had been kept by you before the failure of the bank? A. I kept them in a private compartment in my desk; I had a folding top desk, there was one little place there that was locked up.

Q. Were those papers connected with the World newspapers and that cheque in the same place? A. Everything of a confidential nature was in that little compartment in my desk.

Q. This cheque and the World newspaper letters? A. And Mr. Matheson's answer to my letter and some other little private matters.

Q. Mr. Hodgins has asked you if you never mentioned anything about this $3,000 cheque to anybody, was it not somewhat strange that among all these people, some one at all events, of whom, according to your statement had told you to pay the money, that you never mentioned it to him or anybody else? A. No, sir: when I came back the only relationship I had then was with Dr. Nesbitt; I did not see any of the other parties very often.

Q. Who brought you the cheque when it was presented? A. It was brought by one of my officers in the bank; my recollection was it was Mr. Frayne.

Q. You cannot name him with certainty? A. No.

Q. You think the number you got from the hotel clerk were the cheque and the memorandum put in an envelope? A. Yes, sir.

Q. How was that envelope addressed? A. I addressed it Peter Ryan, Esq., and I put the room number, whatever number I put on it.

Q. Are you sure you put his name? A. Yes, sir.

Q. And you think you got the room number from the clerk? A. Yes, sir.

MR. HODGINS: Was the letter sealed? A. Yes, of course I would seal it, I would not leave it open.

Q. Would you recognize the clerk whom you gave it to? A. I could not say whether I would or not; I have been in a great many hotels since then, all over the world nearly, I mean over in the Old Country and here.

Q. I notice in your evidence you gave before, you say, I asked you did you attribute your success in getting your certificate to the cheque, and you said you thought it all helped; you knew when they got the charter through, at least when you say you knew you say you were told by Mr. Lown when they got the charter through they had to use some money there? A. Yes.

Q. Was it Mr. Lown who made the suggestion you had better use it again? A. He swore this morning he did not; I am not going to state positively till I have the cheque; if we had the cheque I think we would unravel it as I told you before.

Q. Did you ever subscribe to the testimonial to Mr. Fielding? A. No.

Q. Did the bank? A. No.

Q. Did you make a contribution to be used for the purpose? A. No.

Q. Quite sure of that? A. I never heard of it.

Q. It was currently reported, you know? A. I know it was.

Q. It was also as currently denied, that you had given quite a large sum? A. The first I heard of it, of my giving anything.

Q. I am not speaking of you individually, I am speaking of you as manager of the bank or for the Farmers Bank? A. If I gave it for the bank Mr. Clarkson would find the entry.

Q. You would know; however I understand the denial was made that you had ever done it? A. That is true, I did not.

Q. I was asked to get your statement upon the subject? A. I did not.

Q. The bank did not? A. Nor the bank.

Q. Either directly or indirectly? A. No, not that I know of.

The Commission adjourned at 4 p.m. to 11 p.m. to-morrow.

Toronto, July 17th, 1912.

The Commission resumed at 11 a.m. at Osgoode Hall.

DONALD A. YEATS, Sworn, Examined by—

MR. HODGINS: You remember when the Farmers Bank failed and prosecutions began? A. Yes, sir.

Q. What was your occupation then? A. I was then with Inspector Duncan in his office.

Q. You remember what was done with the papers that were seized by the detectives? A. They were held by Inspector Duncan.

Q. He has an office in the City Hall? A. Yes.

Q. A room of his own? A. Yes, sir.

Q. How were they kept in that room? A. For a time they were kept in his office, and then I believe they were transferred, but I am not quite certain, but I kind of think some of the papers were transferred to the vault.

Q. In where, in his room? A. Not in his room but in the detective office.

Q. Is that adjoining? A. Yes.

Q. Did you become familiar with those papers? A. Several of them.

Q. Did you know anything or did you ever see that $3,000 cheque so that you could identify it? A. No, not just now I could not identify it.

Q. There was no cheque that you recollect distinctly there? A. There was talk about a certain $3,000 but I never took very much interest in the cheque.

Q. Who was the talk between about the cheque? A. I heard Mr. Travers talking about the cheque and Inspector Duncan.

Q. Do you remember what they said? A. As near as I can remember it was Inspector Duncan asking Mr. Travers who gave the cheque, who got the cheque or something like that; I thought he was pressing for some information.

Q. Did he get any information? A. I do not just remember, I do not think so though.

Q. At all events that was apparently a live question between them, the inspector was anxious to know about that? A. Yes.

Q. Did the World file ever come under your notice, the file of papers, letters between the Farmers Bank and the World or between Travers and Greenwood and Maclean? A. I remember the file of papers, I remember the file on the first, I think it was the time the papers were first seized, but I do not remember ever seeing the file after that.

Q. Were they brought over to the Detective office? A. Yes, I believe so.

Q. And you do not remember seeing them after that? A. No, I cannot remember seeing them with the papers that were in the office after that.

Q. Who had access to those papers; when I speak of those papers I mean all the papers; who had access to them after they were seized and came over to Inspector Duncan's office? A. There was no person supposed to have access to them, with the exception of Inspector Duncan and Detective Guthrie; they were practically the ones that had charge of the papers.

Q. You say no one was supposed to have access; did you ever see any one in there inspecting the papers in the presence of Inspector Duncan or when he was away? A. Well, yes; on one occasion I saw Haverson, the reporter on the World.

Q. Who is Haverson? A. He is a reporter on the World.

Q. He was examined here and said he did not see them? A. I remember him distinctly looking at on one occasion a statement made by Mr. Travers, in No. 8 station, I believe.

Q. What sort of statement? A. A statement supposed to have contained disclosures with reference to certain men who had been mixed up in the Farmers Bank.

Q. Do you mean a typewritten statement? A. Yes, it was supposed to be a confession made by Mr. Travers to Inspector Duncan.

Q. I have got two such statements; I suppose it is probably one of those? A. This one was taken in No. 8 station.

Q. To what extent had he access to the papers, or did you see him going over the papers? A. Well, he was looking at this file on this particular day, and other days I saw him with Inspector Duncan going over the papers.

Q. But on the first date you speak of, was any one there? A. Inspector Duncan was there and he was sitting in the office.

Q. On all occasions he was there; is that what you say when Haverson was inspecting the papers, that Inspector Duncan was always present? A. Haverson in the office had, he seemed to have, more authority than anybody else so far as newspaper men are concerned.

Q. In what way; I am interested in finding the papers if possible? A. On several occasions he was going over papers; it was a common thing for him to go into Inspector Duncan's office and go over papers.

Q. Did he ask for them? A. No.

Q. What did he do? A. Simply went in and read what he saw fit to read.

Q. Did he ask Inspector Duncan for them? A. I just could not say.

Q. Who were present? A. Inspector Duncan at times showed him papers.

Q. More than once? A. More than once, several cases since that.

MR. COMMISSIONER: Other cases? A. Yes, sir; other cases pertaining to police matters.

MR. HODGINS: How many times did he come in and see Farmers Bank papers? A. Oh, well, the Farmers Bank, he was up there a good deal of the time at the time the Farmers Bank investigation was going on in the Police Court.

Q. Was he ever alone in the room? A. Yes, he was alone in the room a good deal; it was a common thing to see him in the room alone.

Q. When he was in there, who was responsible for the papers; was any one supposed to be keeping a tab on them? A. I was supposed to be in the office; he seemed to have a right to look at whatever he liked. Of course, the other newspaper reporters, I always prohibited them from seeing anything; Haverson was so associated with Inspector Duncan that it was a little out of place to ask him to stop looking at papers.

Q. Out of your place? A. Yes, out of my place.

Q. This $3,000 cheque, did that crop up in the early stages? A. In the early part of the bank matter I think: if am not mistaken, I think it was shortly after Mr. Travers was convicted; it was in January, I believe, Mr. Travers was sentenced, shortly after that, but I could not say the exact date.

Q. Mr. Stewart Lyon was examined and said he went to Inspector Duncan's office at one time and he saw the papers? A. I remember a Globe representative in Inspector Duncan's office; one day I went in the office, a Globe representative was going over some papers with Inspector Duncan.

Q. Was he the Police Court reporter of the Globe? A. No, he was not.

Q. Do you know who he was? A. I do not know his name, I never did know his name: he was not the regular police reporter, but I knew he was associated with the Globe.

Q. What did he look like? A. He was a short man with a sort of a pale complexion, as near as I can remember: and he had a funny shaped head; his head was rather large and sort of pointed.

MR. COMMISSIONER: Hair? A. I think he was slightly bald, if I am not mistaken, but I am not quite sure: his hair might have been thin, but I cannot just say. If I am not mistaken he was fair.

MR. HODGINS: Good looking, no doubt, being a reporter. Then did you see him there more than once? A. Well, I saw him there, I am not sure whether it was more than once, I would not swear more than once in connection with this particular case, but I had seen him in the City Hall on previous occasions.

Q. When you say in the City Hall, do you mean in the Detective Office? A. Around the Police Court, but he was not a regular attendant.

Q. Any of the other newspaper reporters see the Farmers Bank papers to your knowledge? A. Not that I know of.

Q. Did any one else, other than the reporters from the papers that we have been mentioning, have access to these papers at any time? A. Not that I know of.

Q. Do you know Mr. W. H. Hunter, a barrister, of this city? A. Yes, sir.

Q. And do you know a man named Hobberlin? A. Yes, sir.

Q. Do you know whether they had an opportunity of going over these papers? A. Well, at the time of the Farmers Bank investigation, Mr. Hobberlin and Mr. Hunter called at the City Hall on several occasions, and mostly in the afternoons, and they went into a private room in the City Hall, Mr. Corley's private room, which is not used in the afternoon, his office, and the three of them were closeted in there on several occasions.

Q. What three? A. Mr. Hobberlin, Mr. Hunter and Inspector Duncan.

Q. Had they any papers with them? A. Yes, sir; I remember one afternoon, when I come to think of it, I remember going in there to tell Inspector Duncan that the Chief Constable was calling for him, and I saw them there with Farmers Bank papers on Mr. Corley's desk.

Q. Is the office you speak of, Mr. Corley's, which is not used in the afternoon, close to the Detective Office? A. No, it is back of the Police Court; it is close.

Q. In the same wing of the building? A. Yes.

Q. Going back for a moment, at the time you saw the gentleman you think was connected with the Globe, did you hear any conversation between him and Mr. Duncan in which Inspector Duncan expressed dissatisfaction with the way he had been treated over the Beattie Nesbitt warrant? A. I was only in the office for a minute at the outside on this particular occasion.

Q. That may not have been the same one that Mr. Lyon has spoken of; but when Hunter and Hobberlin and Duncan were together, do you remember what state the prosecution was in; had Travers been convicted? A. Travers had been convicted; none of these proceedings took place until after Travers was convicted.

Q. Had Hunter's name come up to your knowledge in the Police Court proceedings? A. Yes, it did; Hunter's name came up during the Police Court proceedings before Colonel Denison.

Q. In what way? A. I cannot just remember.

Q. I cannot put my hand for the moment on the copy of the statement of Travers that you call a confession, I will get it in a few minutes, but in the meantime do you remember it coming into your office, do you remember when it was received, the occasion of its receipt? A. I cannot just say.

Q. Do you remember any telephoning taking place after that came in? A. I cannot just say the telephoning, I cannot just swear to it, the statement.

Q. What telephoning do you remember? A. I remember on one occasion Inspector Duncan telephoning to the Globe and the World; to Haverson, of the World, and to somebody on the Globe; he could not get Haverson on the World, but he had a statement if they wanted to see it.

Q. He had a statement if they wanted to see it? A. I cannot say, but I kind of think it was the statement made by Travers in No. 8 station.

Q. Have you any way of fixing the date of that? A. No, sir; I have not.

Q. That must have been in the early stages of the matter? A. It was in the early stages of the matter, it was shortly after Mr. Travers was sentenced.

Q. Was it after that that the gentleman you thought was connected with the Globe came in? A. It was after that; I do not remember him coming up; that was at half-past six that night, and I think on that night Inspector Duncan had returned, from a Farmers Bank investigation in the Farmers Bank taken by Mr. Clarkson, the liquidator, and it was after that, and I had been waiting in the office till half-past six, and he telephoned for these gentlemen then, and of course I left the office right after that. Whether they came up or not I do not know.

Mr. Hodgins: Mr. Corley wishes to make a statement.

J. W. SEYMOUR CORLEY, Recalled:

Mr. Corley said: During the progress of the investigation in this conspiracy charge, towards the end of it after it had lasted several days, the Police Magistrate suggested to me in open Court that the name of Mr. W. H. Hunter should be added as a defendant. I said to him that we had gone over a lot of evidence and if we added it we would have to go over it again. It was in open Court, and Mr.

Monahan, the then acting Crown Attorney for the County, was sitting beside me, and I said to His Worship: "My learned friend from the County is here, he hears what you say and he agrees to add him before the Grand Jury" and Colonel Denison said that would be sufficient. It was after that that this interview spoken of by Mr. Yeats between Hunter and Hobberlin, who was a client of Hunter's and Duncan, who was a friend of Hobberlin's took place. I may say Mr. Hunter was never added as a defendant. I was consulted by Mr. George Lynch-Staunton, who was acting at that time as Crown Counsel as to whether Hunter should be added or not. I told him the Police Magistrate had said so, and he asked me if I would take the responsibility of leaving Hunter's name off, and I said no, I certainly would not. I thought the Magistrate's opinion should govern. Inspector Duncan was present on that occasion.

MR. HODGINS: What trial was it in which Mr. Hunter's name came up in the way you have spoken of? A. The conspiracy to deceive the Finance Minister.

Q. Against whom was the trial? A. There were so many of them I cannot remember who the defendant was. Mr. Monahan could tell me that, he could remind me of it; I know Travers was one, Beattie Nesbitt's name was there too, and I think the provisional directors and Stratton—the general conspiracy charge in which the directors were charged, and Mr. Stratton and several others for conspiracy in doing an unlawful act and deceiving the Finance Minister.

Q. I remember in one of those cases the Magistrate made the remark why was not Mr. Hunter added? A. The reason was I did not know Mr. Hunter had been actively engaged in it, I had not been told of it by Inspector Duncan if he knew it.

MR. HODGINS: I will find that date and have it put in, because it is mentioned in the evidence.

PETER RYAN, Recalled:

MR. HODGINS: I have asked you to bring up your letter book of November, 1906; just look and see how the letter book corresponds with what you say, that you were in Ottawa on the 28th of November, and only there one day—that is a letter book kept here in Toronto? A. Yes, my own private letter book: On the 27th November, 1906, I wrote a letter to Mr. John C. Spry, Chicago. I do not find any letter copied on November 28th; on the 29th November, I wrote a letter to a gentleman whom I know very well, D. M. Mcfarlane of Vancouver.

Q. Any other letter on the 29th? A. Yes, there is one here to Joseph Martin, and there is one upon the 30th to Mr. Calvert of Roanoke, Virginia, on Post office matters. Nothing between the 27th and 29th.

ALEXANDER G. MACKIE, Sworn, Examined by—

MR. HODGINS: What is your position? A. At present?

Q. Yes? A. I am assistant in the Police Court Clerk's office.

Q. What were you in 1910? A. Sergeant of Detectives of the City of Toronto.

Q. In 1911 you occupied the same position I suppose? A. Yes.

Q. You remember the Farmers Bank investigation? A. I remember a little of it.

Q. Where were the papers that were seized kept? A. They were kept by Inspector Duncan and detective Guthrie; I never saw any of them.

Q. In whose room? A. In Inspector Duncan's room most of the time I expect.

Q. Do you know of your own knowledge about any one being able to see them? A. No, I do not; I did not see any myself at all.

Q. Did you ever see any one in there going over them? A. There are continually people in there, but I did not see any of the papers.

Q. Did you see any one in there who was inspecting the papers? A. No, not at the time when I was in.

Q. Do you know Mr. Haverson of the World? A. Yes.

Q. Did you ever see him in there? A. In the office?

Q. Yes? A. Many a time, most every day.

Q. Did you ever see him inspecting the papers? A. No, I could not say I have; I never was in there at any time when there were any papers in connection with it, and I had nothing to do with it, I was not allowed to know anything at all about it.

Q. Mr. Yeats said something about Haverson's position there, what position has he in connection with the Detective office? A. His position I suppose is the same as any other reporter, that he was quite frequently there, very frequently in fact.

Q. Had he any more rights there than any one else, or did he exercise any more? A. He apparently did sometimes exercise them; I do not suppose he had any more rights than anybody else though.

Q. What do you mean by apparently he did? A. I have seen when he would come in any of the detectives or anybody else who might have been in there at the time, they have been asked to leave; Mr. Yeats, who was a clerk under Duncan would be asked to leave and the door would be shut; and they would be in there together.

Q. Who would be in there together? A. Inspector Duncan. Of course that might happen with any citizen who might happen to come in to see the Inspector.

Q. Did it happen continually with Haverson? A. Very frequent, not continually but very frequent.

MR. HODGINS: The evidence was taken in the conspiracy case of the King vs. Watson and others on the 15th February, 1911, and during the course of that investigation at page 60 the questions were asked speaking of Smith in Ottawa, and Travers was asked:

"Q. Was Hunter acting for you? A. Yes."

"Q. Did he know there was this difficulty about getting the thing through? A. He knew Smith was threatening trouble."

"Q. On account of this? A. Yes."

"Q. Hunter must have known this was made up with borrowed money too? A. I am quite sure he did because I took him into my confidence when I made up the list."

"HIS WORSHIP: Why isn't he in it."

"MR. CORLEY: I didn't know about it."

"HIS WORSHIP: I think he ought to be added at once; it is only fair to him."

"MR. CORLEY: I will have him notified of what has been said and he can appear here."

MR. HODGINS: So that is the date at which the Police Magistrate said that, and I think that fixes the date pretty well.

EDWARD A. HOBBERLIN, Sworn, Examined by—

MR. HODGINS: Are you a member of the firm of Hobberlin Bros.? A. I am manager and secretary-treasurer.

Q. You have a brother as well, have you not? A. Yes.

Q. What is his name? A.M.

Q. Where is he now? A. He will be on his road to the Coast now.

Q. Are the firm clients of W. H. Hunter? A. Yes, W. H. Hunter is solicitor.

Q. Are you the Hobberlin whose name has been mentioned here this morning as having been with Mr. Hunter and Inspector Duncan in their offices? A. No, not me.

Q. At the time the Farmers Bank failed or after the prosecutions were begun? A. No.

Q. Who would that be, which of the Hobberlins would it be? A. That would be the one that would be at the Coast, if any, that is A.M.

Q. What would he have to do with the matter, does he know Inspector Duncan? A. Nothing except as a personal friend, just knows him.

Q. Of whose? A. Inspector Duncan; he is acquainted with him I believe.

Q. Is he a personal friend as well as a client of Mr. Hunter's? A. Just a client.

Q. Was there any other Hobberlin in the firm? A. Mark Hobberlin, but he has nothing to do with it; the only person if any would be A. M. Hobberlin.

Q. The name given to us was E. A. Hobberlin? A. It is wrong.

Q. You were never closeted with anybody, I suppose, in the Detective Office? A. No.

MR. COMMISSIONER: Had the firm of Hobberlin or the company anything to do with the Farmers Bank? A. No, nothing whatever.

Q. You know nothing, I suppose from what you have said, about what they would be together for if they were together? A. Absolutely nothing.

DONALD A. YEATS, Recalled:

MR. HODGINS: The two statements that I have got here of Travers, the first one is dated on Saturday, taken on Saturday, the 21st January, 1911, at No. 8 Police Station, Toronto, in the presence of Inspector Duncan, Detective Guthrie, and George Angus, chartered stenographic reporter; the next one is taken on the 25th January, 1911, at the head office of the Farmers Bank, Adelaide street, Toronto, in the presence of Inspector Duncan, Detective Guthrie, Mr. G. T. Clarkson and others? A. I refer to the statement that was made in No. 8 Police Station.

Q. That would be the one taken on the 21st January, 1911? A. Yes, sir.

Q. Then I see that the preliminary investigation in the main conspiracy case against Watson and others was begun and taken on the 17th February, 1911? Can Mr. Travers tell the date on which he pleaded guilty?

MR. TRAVERS: The 13th January, 1911, I pleaded guilty.

WILLIAM SINCLAIR SHAND, Sworn, Examined by—

MR. HODGINS: You are in the Police Department? A. Yes, sir.

Q. What is your position? A. Property clerk.

Q. And do you keep a list of warrants? A. Yes, sir.

Q. You keep the books in which the warrants when issued are all entered? A. Yes, sir.

Q. What is the practice when an information is sworn out and a warrant signed by the magistrate in Toronto, are you required to register it at once? A. Yes, sir.

Q. You have your book here? A. Yes, sir.

Q. Is the warrant registered immediately it is issued? A. In some cases, where a man would be taking a train to leave the city, sometimes it is not registered, but the custom is and the rule is always to register it before the warrant leaves the office; but if a man committed an offence and was trying to get a train sometimes the detective would take the warrant and rush to the train, and it would not be registered.

Q. Are you in the Police Department or in the Detective Department? A. In the Detective Department.

Q. Have you the note of the notification or registration of the Beattie Nesbitt warrant? A. I guess it is entered in the book.

Q. Turn it up? A. I do not know what date it would be.

Q. I see there is a warrant against W. R. Travers on 31st December, 1910; follow it up from that? A. There it is, Dr. Beattie Nesbitt.

Q. You have four warrants there entered up on the 31st January, 1911; two for conspiracy, one for false returns and one for forgery? A. Yes.

Q. That is the date at which they reached you, is it? A. I would not be clear on that point.

Q. What is your practice as to entering? A. It is the custom.

Q. If you got a warrant on the 31st January, issued two or three days before, what date would you put in your book, the date of the warrant or the date you got it? A. The date I got it.

Q. Would that indicate the date you got it? A. No, I would not be clear on that either.

Q. Why not? A. Because it may have been handed to me later and entered up as being issued in that particular month.

Q. Have you any recollection about the Beattie Nesbitt warrant? A. I am inclined to think that that was the case; that those were handed to me some little time after they were really issued, and I entered them up in the latter part of that month because it was in that month they were issued.

Q. Does the handwriting indicate anything about those last four, the ink and so on? A. Yes, I can see it is a different ink and different time.

Q. And that is what makes you think so? A. Yes.

Q. Your recollection is they were handed to you some time after they were issued? A. Yes.

Q. Whom by? A. I expect it would be by Inspector Duncan.

Q. Is there any reason you know of why they should not have been handed to you the date they were issued? A. No.

Q. If they had been, would that have been in accordance with the almost invariable practice? A. That would be the regular practice; I should get them the day they were issued.

Q. This would be an exception then? A. Yes.

Q. When that is entered there and registered, is any notification sent out? A. That would be a matter entirely with the inspector; I would have no interest in that matter at all.

Q. What is the practice about it when the warrant is issued; it is, as you say, brought to you and recorded immediately? A. Yes.

Q. Then what takes place with regard to its execution; is there any notice given to the city police, for instance? A. There is a report made of the circumstances in connection with the warrant and the offence committed; those are con-

veyed by the detective who is marked for the case to the inspector, and he either wires or telegraphs to whatever city the man is supposed to be in.

Q. If those were not returned to you, handed in to you promptly on being issued, would that delay the notification? A. Not necessarily; the inspector could still write or still communicate with outside points.

Q. The practice is as you detail: bring it to you, have it recorded and the report goes on, and notification? A. Yes. .

Q. Is there any book called the "Occurrence Book"? A. Yes, in which all reports are made of everything.

Q. What do you remember about entries connected with these warrants in that book? A. The occurrence would not be made owing to the number I see here opposite Dr. Beattie Nesbitt's name; the occurrence with reference to that case has not been made till late in the year of 1911.

Q. Why would that be? A. That I could not say; that is a matter entirely with Inspector Duncan.

Q. That he would have to account for? A. Yes.

Q. You have a series of numbers there? A. The number of the report would indicate that it was not made until late in the year.

Q. That is taking it in its proper sequence? A. Yes.

Q. It would be considerably later than those that appear prior to it? A. Yes.

Q. Is it your duty to notify anybody, the city police for instance, immediately on a warrant being issued? A. Yes, in the Divisional cases if the warrant is issued for a man, in whatever district the man is supposed to be I ring up and notify the acting detective that a warrant has been issued for a man, giving the name and address and giving the offence.

Q. That is when the warrant is issued you notify, if possible, the most likely spot? A. The detective would not receive that report till the following morning when he comes down to the office.

Q. He would not receive that? A. He would not receive the written part of it; I would give him all that is on the occurrence over the telephone and he would act on that, if he could get the men in the night before.

MR. COMMISSIONER: He is speaking only of the city? A. Yes, just of the city.

MR. HODGINS: Does not it go further than the city? A. No, I would not interfere outside the city.

Q. Would not you send them to all divisions in the city? A. For instance, if there is a warrant for a man in Stratford I would not interfere at all, I would simply communicate the facts to Inspector Duncan.

Q. If a man was in West Toronto or might be there and might be in East Toronto? A. I would telephone to the station.

Q. To which? A. To No. 10 or No. 9 station, as the case might be.

Q. Suppose you were not certain which it was in? A. If that was the case I would have to leave it in abeyance till the detective got the report himself on the following morning.

Q. Would it go on the occurrence sheet what you did? A. The telephone message would not. You understand when the warrant is taken out, the party taking out the warrant would come up to the office and give all particulars about the man that is wanted, and from that I would telephone to the different stations. The detective would not receive that report till the following morning.

Q. That is what I thought, that you put it on your occurrence sheet and notify the other stations? A. Yes.

Q. Did that take place in the Beattie Nesbitt case until the warrants were finally turned in? A. Apparently from the number the report in his case was not made till very late.

Q. Would the notification therefore be delayed? A. Apparently we were not familiar with the facts until later.

The Commission adjourned at 12.05 p.m. until to-morrow, July 18th, 1912, at the Railway Committee Room of the Senate, Ottawa.

Ottawa, July 18th, 1912.

The Commission resumed in the Railway Committee Room of the Senate, at 11 a.m.

PRESENT:—

HON. SIR WILLIAM MEREDITH, Commissioner.
FRANK E. HODGINS, K.C. and JOHN THOMPSON, K.C. representing the Dominion Government.

GEORGE EDWARD MULLIGAN, Sworn, Examined by—

MR. HODGINS: Are you the proprietor of the Russell House in Ottawa? A. Yes.

Q. You were I suppose in 1906, were not you? A. Yes.

Q. Have you your hotel register of November, 1906, with you? A. Yes.

Q. Let me see it? A. (Produces).

Q. This stops at November, 28th. have you not the one succeeding that? A. Yes.

Q. Where is it? A. Down at the hotel.

Q. Why was it not brought up? A. I supposed that was the only one you wanted.

Q. I want the other one? A. I will send for it. The reason why that book did not come up I am asked something I do not know anything about.

Q. You refused to let Mr. Thompson go over the books? A. I refuse to let anybody go over our books.

Q. If you had allowed him to indicate—? A. Mr. Thompson might have indicated to me and I would have brought whatever he wanted brought.

Q. Have you sent for it? A. Yes.

Q. You have Mr. Peter Ryan registered I see on the 28th? A. Yes, sir.

Q. And Mr. James Pearson? A. Yes; we have quite a few from Toronto there on that date.

Q. I suppose that would indicate his arrival in the morning would it not? A. Yes, sir.

Q. There is no room number? A. No, he did not have a room.

Q. How do you know? A. It would have said in that column.

Q. This does not indicate he had a room? A. No, he had no room.

Q. Was Anderson with him? A. That I am not in a position to say, I do not know.

Q. Who came with him? A. I do not know that anybody came with him. Mr. O'Brien is coming up here, I have sent him after that book and he will be able to give you more information on that point than I.

Q. Is that "E.P." after his name? A. That means European.

Q. Have you rooms A. B. C. D. and so on, as well as numbered rooms? A. No, sir.

Q. I suppose you know Peter Ryan? A. Very well.

Q. Was he in the habit of staying at the hotel when he came down? A. Yes, sir, I have never known him to stay over night except once in my life I think;

he used to come in in the morning and go out on the late train. Our cash book does not show that he paid us anything on that date. On the European plan he would pay as he got his meal, the cheque would be handed him after he had his meal and he would pay the cashier and it would not appear in the cash book.

Q. I thought you had a system under which you could sign a cheque there? A. Yes, in that case that check is brought to the office and charged up to his account.

Q. Look and see what his account shows? A. I can tell you what his account shows; it does not show in this book; I will have that brought up for you.

Q. What book is that you have? A. This is the cash book; it is merely transferred in our transfer ledger with European plan marked after it with no room attached to it.

Q. What book is this you have got? A. This is my cash book; I have sent for the other book.

Q. Will you send for the ledger? A. Yes, sir.

Q. Now, let me look at the cash book? A. Yes; his name would not appear there if he paid for his meal in the restaurant unless he signed a check which the transfer ledger shows he did not do.

Q. Do you find him on the 29th or 30th or did you look? A. I did not look.

Q. Your hotel is, and was at the time, a resort was it not for almost everybody that comes down? A. Well, we had up to the present time—

Q. A great meeting place? A. Yes.

Q. Do you remember what Mr. Ryan was doing that day at your hotel? A. No, sir, I do not.

Q. Did you see him at all? A. Of course I have seen him quite often, but I would not remember that particular date.

Q. You have no recollection whether he was there for a day or two days? A. None in the world except just what the book shows.

Q. Would you know when Mr. Hunter who is registered the same day, went up—do your books show? A. Yes, sir.

Q. This one or the ledger? A. The ledger will show.

Q. The same with regard to Travers? A. Yes.

Q. Could Mr. Ryan have the use of a room of he wanted it? A. I suppose he could, but it would be assigned to him on the book.

Q. He was well known? A. Yes.

Q. If he wanted a room without your charging for it he could have had it? A. We would charge him for it.

Q. Just for the temporary use during the day? A. Surely, he might throw some person out of a room that day; all hotels charge.

Q. I am speaking of your hotel? A. Yes, of course if he wanted it for five minutes or so to wash he might get it; if he occupied it for any length of time he would have to pay for it, and it would show on our cash book.

Q. Had you any guests on that day who had rooms who were not registered? A. I prefer your asking that question of Mr. O'Brien, because he would know better than I do.

Q. What is your knowledge of it? A. I could not say, I do not know, they did not get them through myself.

Q. It is possible there may have been some, if so O'Brien will know? A. O'Brien will know if they had.

MR. COMMISSIONER: Who is F. W. Grant, of Midland? A. I do not know him.

Q. Who is J. T. Johnston, of Toronto? A. I think he is a travelling man; my room clerk looks after that book and he will know.

Q. George Anderson, don't you know him? A. No.

Q. What does room 7 mean in pencil here? A. Sample room.

Q. That would indicate he was a commercial traveller? A. Yes. Those figures were made by Mr. O'Brien. I guess I do not know Anderson. I think Anderson was afterwards connected with the Rea Co. over here, I think that was the man.

Q. Is he a tall black haired man? A. No, he is a red haired man.

Q. Who is George Ross, of Toronto? A. That might be the Hon. Mr. Ross.

Q. No, he is George W., room 135; probably Mr. O'Brien may be able to tell. There was George Ross, the Post Office Inspector, would it be he? A. I do not know.

Q. What does that tick mean in red ink? A. That means likely he did not want a room when he came in, and they just ticked it off.

Q. What do these figures 30 and 25 mean? A. That means rate.

Q. The rates vary? A. It is a private mark of our own.

MR. HODGINS: Do you ever have auction sales of timber limits? A. Yes.

Q. Is that of frequent occurrence? A. It was a few years ago, more so than to-day; because any limits that are sold around here as a rule are sold in our place.

Q. Where do they sell them? A. From the stairs as a rule, or just from the lobby.

Q. Just outside the office of the hotel? A. Years ago when we had big stairs in the office there in the lobby they used to sell them from the stairs; the last couple of years they stand on a table in the lobby.

Q. Did you make any charge for selling in there? A. No, sir.

Q. You let some one come in and not even pay for a room and use your hotel to sell limits and not charge them? A. Yes, it is an attraction, it brings a lot of people there.

WILLIAM S. CALVERT, Recalled:

MR. HODGINS: I do not think when you were examined before I asked you whether you knew Mr. Peter Ryan? A. I do.

Q. Have you known him for a long time? A. For a number of years; I do not remember when I met him first.

Q. He is registrar of East Toronto? A. Yes.

Q. A well known politician I am told? A. Well, I do not know in regard to a well known politician, I do not know that he has ever run as a member.

Q. You live in the west of Ontario and we had a gentleman from there who said he did not know Mr. Ryan and never heard of him? A. I read that in the paper the other day.

Q. You would not go that far? A. No, I know Mr. Ryan very well as a friend.

Q. He was a politician although he did not occupy a seat in Parliament? A. I understood he used occasionally to speak on the stump.

Q. I think you could safely go that far? A. Yes, while I never heard him.

Q. Did Travers know him before he met him in Ottawa? A. I have not the slightest idea whether he knew him or not.

Q. He says you introduced him? A. I saw by the papers that he had asked me to introduce him to Mr. Ryan, whether I did or whether I did not, I have not the slightest idea, because I have introduced many a man and I do not know whether I introduced him or not, I have no recollection of it whatever.

Q. What Travers says at page 1660 is this:

"Q. Mr. Calvert says he only met you when he presented the letter of introduction to him? A. He is mistaken about that, because we were in the Russell House together and he introduced me to several people."

"Q. Introduced you to Mr. Ryan? A. Yes, that is my recollection."

WITNESS: My recollection of that would be that that would be after the introduction. I do not remember of ever seeing or hearing of Mr. Travers, I may have heard of him, because he says he wrote to me—but I do not remember anything of the man at all until he brought the letter of introduction; I had nothing in common with him, and consequently I knew nothing of him in particular.

Q. You think if you introduced him to anybody it would be after he presented his letter of introduction? A. I would think so, because I have no recollection of ever meeting the man before, and if I did introduce him I would simply introduce him in a casual way.

Q. That was at the Russell House; he also says he was in No. 16 Committee Room with Mr. Calvert after that, and was introduced to fifteen or twenty? A. I do not know what he would be doing in 16; I do not remember him in connection with the charter at all.

Q. What do people do in 16? A. Simply as people would come in here and chat with their friends.

Q. What is room 16? A. Right off the House of Commons. It is the Government Members room. No. 6 is the Conservative room; nothing in that any more than friends stepping in and chatting with other people.

Q. I am only getting your recollection as contrasted with Travers; would he be right in saying that he was in that room and he was introduced then by you to fifteen or twenty? A. I do not suppose for one moment I would take the trouble to introduce Mr. Travers to fifteen or twenty members; he may have come in there and I may have introduced him; at that time I suppose Mr. Travers was looked upon as the coming man in connection with the Farmers Bank; he had been in Hamilton a good many years and I suppose had a fair reputation, and I knew nothing of him; naturally you would say "This is Mr. Travers."

Q. You had charge of the bill? A. I had charge for Mr. Urquhart and the provisional directors. I did that in many cases.

Q. You say he would be looked upon as the coming man? A. I presume if he came down representing the Farmers Bank as being introduced by Mr. Urquhart and probably—I do not remember what the letter said, but I presume it was giving me to understand that he was likely to be the manager of the bank, I suppose we would look upon him as a man of some standing.

Q. You had a room at the Russell House? A. I was at the Russell House probably in the neighborhood of 14 years on and off.

Q. You had a room there at the Russell House at this date? A. Yes.

Q. What was the number of it? A. I have had different rooms; I fancy at that time I had room 80, I am not just sure. I occupied room 80 for quite a while, and I fancy it would be at that time.

Q. Did he present his letter of introduction to you early in the day? A. In the morning a boy came to my room.

Q. With the letter? A. No, with his card I fancy, or told me a gentleman wanted to see me, I cannot remember exactly, and I said "All right, I will see him shortly". I was getting ready to come up to the House of Commons and I said "I will come down and see him when I am ready". And I came down to the rotunda and met the gentleman and he gave me the letter of introduction; that is my recollection of it.

Q. The letter did not accompany his card? A. I do not think so; I cannot just remember but my impression is he handed me the letter. I said "All right, Mr. Travers I am going up to the House," and on the way up Mr. Fielding the Finance Minister was in the building, and we walked across here and the messenger was at the door and he said Mr. Fielding was not in, but he will be in shortly. We

stood there perhaps three or four minutes, there were one or two other gentlemen standing there at the time and Mr. Fielding came in and I introduced him the ordinary way as I would anybody else.

Q. Just as Mr. Fielding came in? A. Mr. Fielding came in, we just met him at the door and I told him, I fancy we stepped into the door, and I introduced Mr. Fielding to Mr. Travers, and my recollection is I came up here to the House.

Q. Travers arrived on the morning of the 28th that would be the day? A. I do not remember the day.

Q. When was it you introduced him to people in the Russell House, later on in the day? A. I do not recollect of introducing him to any person in the Russell House; if I did, it was in the most casual way.

Q. Did you meet him after you had left him with Mr. Fielding, did you meet him again? A. I have no recollection of meeting him because I had no interest in it, I was not interested at all further than to please Mr. Urquhart and the gentlemen connected with it.

Q. Did you have any communication from Travers after you left him at the door of the Finance Minister's room? A. Not that I remember of.

Q. Possibly you may have seen him? A. I may have seen him, but it was simply a matter of routine business with me, and whatever I did, I did it in the ordinary way, and of course I do not recollect of having seen him.

Q. You have told us that? A. I do not recollect of having seen him at all.

Q. Did you hear from him afterwards? A. I do not remember hearing from him; I might have but I do not remember.

Q. Did you meet W. H. Hunter? A. I do not think I know Mr. Hunter; I cannot place Mr. Hunter.

Q. Did you see Mr. Fielding afterwards and ask him what he had done for Travers? A. I don't think I did. I do not remember of having done so.

Q. Mr. Travers I suppose had explained what he wanted to you? A. The letter said he came down for that purpose to get the certificate for the Farmers Bank I presume.

Q. He was in a hurry to get it? A. I suppose he was.

Q. Having introduced him? A. He had only a limited time to get it, we only gave him six months, and I do not remember when the six months would be up.

Q. In January? A. Well, he got the certificate in November.

Q. Did you never have curiosity enough to ask Mr. Fielding afterwards? A. I never asked Mr. Fielding as I did hundreds of things and hundreds of times, various things; I was not interested in it particularly further than a public man to give them the legislation that I presumed was correct. It was a bill called the Farmers Bank, and I was a little interested that it would not be turned down, because I would not want it to be said that we turned down a bill of farmers and we gave it to somebody else.

Q. I suppose that motive would operate in the face of opposition to the granting of a certificate? A. It would what?

Q. It would operate, if there was opposition to the granting of the certificate? A. Operate to give it to them?

Q. Yes? A. If it was correct they were entitled to it.

Q. Did you tell Mr. Fielding that? A. I told Mr. Fielding that; my recollection of it is if it is correct then they are entitled to it, and not if it is not.

Q. Had it been a matter of discussion whether or not it would be advisable or inadvisable? A. Not with me.

Q. To turn down the farmers' application? A. No, no discussion with me.

Q. Mr. Travers represented the farming element in seeking a bank? A. I do not know that Mr. Travers was taken into consideration particularly at all.

Q. It was the farming element? A. No, it was the gentlemen promoting the bill in the first place, and they seemed to be good men.

Q. Who were they? A. The provisional directors, and Mr. Urquhart as their solicitor.

Q. Who were they? A. Mr. Fraser, Dr. Ferguson and the other gentlemen; I presume they were all good men.

Q. Did you get a note from Mr. Travers after his interview with the Finance Minister? A. I do not remember any note.

Q. Did you get any envelope from him? A. No.

Q. Did you ever see any envelope addressed to Peter Ryan? A. No, directly or indirectly in any shape or form, or anybody else in connection with anything of the kind, and such a suggestion was never mentioned to me or by me.

Q. What suggestion? A. About giving an envelope or a cheque or anything of the kind.

Q. Was any contribution made by Travers to the party funds? A. Never that I knew of, never known to give a nickel.

Q. Would you know if he had? A. I might not know.

Q. Did you introduce him to Mr. Emmerson? A. Not that I know of; do not remember introducing him to anybody but Mr. Fielding; if I did it was a most casual thing.

Q. Were you advised by Mr. Fielding when the certificate had been issued? A. I do not think so, no.

Q. Or by Mr. Boville? A. No; do not remember of them ever advising me in connection with it at all. Why should they?

Q. I did not know whether you had interest enough to ask? A. I do not think I ever asked.

Q. Were you consulted after Sir Edward Clouston's letter was received by the Department? A. No.

Q. Were you advised of it? A. No, knew nothing of it until I saw the evidence.

Q. Were you ever advised that Mr. Leighton McCarthy had protested against the issue of a certificate? A. No, not advised.

Q. Never heard of it? A. Saw it in the papers.

Q. Did you discuss that phase of it with the Finance Minister? A. No; Mr. Fielding did not discuss those things; he generally dealt with them himself.

Q. Or Mr. Boville? A. No.

Q. Or any one in the Department? A. No one that I remember of.

Mr. George E. Mulligan produced the register of the Russell House, beginning the 29th November, 1906, and also the ledger.

JOHN O'BRIEN, Sworn. Examined by—

MR. HODGINS: You are the room clerk? A. Yes.

Q. You were also room clerk in 1906? A. Yes.

Q. We find on the 28th November Mr. Ryan's name there? A. Yes.

Q. Who did he come with? A. I could not say.

Q. I suppose you know him? A. Yes.

Q. He is a frequenter? A. Yes.

Q. Always comes there when he is down? A. Yes.

Q. You knew him pretty well? A. Yes.

Q. What time does that indicate that he arrived? A. I could not say that; it is somewhere in the morning, but I could not say what time.

Q. You see "L" stands for lunch opposite his name? A. That is for lunch.

Q. And it would look as if he had not come in early to breakfast? A. No.

Q. Why did he register if he was not taking a room? A. The majority of people do that in case anybody should inquire for them or any telegrams come for them we would know they are there. There are a lot of people registered who did not have rooms.

Q. Did he have a room? A. No, sir.

Q. How can you tell? A. There is no room marked off.

Q. He might have had a room and not be marked down? A. Not as a rule, we do not do that.

Q. He was auctioning off some limits and you did not charge him for the use of the hotel rotunda, would not they give him the use of a room? A. No, the ledger shows too he did not have a room; here it is here.

Q. Under what date? A. The 28th November.

Q. Why is his name entered in this ledger? A. We always put them through because we have to copy the names off there.

Q. What do the entries indicate? A. This is the room and this is the arrival and this is the departure.

Q. What is the departure? A. He did not have anything, we marked him off.

Q. You do not put down any date, you just put a couple of strokes? A. Yes; that stands for European.

Q. Look him up on the 29th and 30th? A. He is not registered on the 29th or 30th in this book.

Q. What do these marks indicate in that register opposite his name? A. "E. P.", European; we marked him off as not staying over night.

Q. You do not find him there on the 29th or 30th, according to the ledger? A. No.

Q. What was Mr. Calvert's room at that time? A. He had several rooms there; I cannot just tell you offhand what room he has had.

Q. Look on the 28th? A. It would not show in here because he has been a regular boarder.

Q. Do not you keep a list of the regular boarders in any book? A. Yes.

Q. He thinks it was 80? A. He has had 80 and 146 for years.

Q. Would you look at W. R. Travers on the 28th or 30th; tell me when he arrived? A. He arrived on the 28th.

Q. Tell me when he left? A. He left on the 1st December.

Q. Would that be the evening of the 1st? A. It might be the evening of the 1st; on the European plan we charge for the night only; we have him marked out on the morning of the 1st December after breakfast.

Q. Would that indicate he left by the morning train for Toronto, having slept the night, November 30th? A. He slept the night of the 30th.

Q. Do you find W. H. Hunter registered and what date did he leave? A. He did not stay over night; he did not have a room either.

Q. He was there on the 28th, apparently left that night? A. Yes, sir.

Q. Was Mr. Emmerson a guest at that time? A. I could not say, sir.

Q. Would the ledger show? A. No, they would not show the permanent people.

Q. If he was a transient guest? A. No, sir.

Q. I suppose you recall Travers, you know him? A. No, I do not.

Q. Was not he there more than once after that? A. He might have been, but it is so long ago that I do not remember.

Q. Do you know Mr. Hunter? A. Yes, sir.

Q. Quite sure you do not know and did not know Mr. Travers at that time? A. No.

Q. He stayed three days in the hotel? A. We had quite a few people there, and unless he was coming back and forth all the time we would not know him very well.

Q. He has said this, that he got from somebody at the desk in the hotel the room number of what he was told was Mr. Peter Ryan's room, and that he handed in a letter with that room number on it addressed to Peter Ryan, Esq.; have you any knowledge of that? A. No, sir.

Q. Supposing that took place, what would you do with the letter? A. If he sent it in a letter addressed to Mr. Ryan and Mr. Ryan had not a room we would give it to him as soon as we saw him; that is the reason they register.

Q. If he had not a room and a letter was handed into you addressed to Peter Ryan you would keep it and endeavor to get him as soon as you could? A. Yes.

Q. If it had a room number on it, say Peter Ryan, room 300, and you being room clerk knew he had not a room what would you do with it, send it up to the room? A. No, we would keep it at the office because we would know he had not a room.

Q. You know Mr. Calvert? A. Yes, sir.

Q. Did Mr. Ryan say anything to you about him? A. No.

Q. Make any inquiries about him? A. I do not remember.

Q. Mr. Calvert says Mr. Travers' card was sent up to his room in the morning of that date, and he came down and was presented with a letter? A. I do not remember that.

Q. Had any people at that time rooms who were not registered? A. Not to my knowledge; we always make them register before we give them a room.

Q. Sometimes it is inconvenient for some people to be on the register, is it not? A. They have to register for a room.

Q. A man coming there to stay there permanently? A. They do not register, people like that, who have the rooms by the month they do not register.

Q. So that there may have been people there who are not on the register who had rooms? A. Yes.

MR. COMMISSIONER: Who is George Anderson? A. He is a traveller from Toronto.

Q. Did he come with him? A. He came in at the same time.

Q. By the same train probably? A. Yes.

THOMAS C. BOVILLE, Recalled by—

MR. HODGINS: You were examined before? A. Yes.

Q. And owing to something that Travers has stated I want a little further information from you; he says the actual subscriptions for these shares were sent down to him in Ottawa; you know what I mean, the subscriptions signed by the individual shareholders agreeing to take shares, which would be signed throughout the country and collected in the office of the Farmers Bank? A. Yes.

Q. And he said those were sent down to him while he was in Ottawa, and he went over those, as I recollect his evidence, or some of them, with the Minister; now I want to know whether you ever saw them? A. No.

Q. What he says is this, page 505: "Q. Did he ask you— that is speaking of Mr. Fielding—to see any of the subscriptions which you had sent down A. No, he did not, because I am under the impression that Mr. Boville or Mr. Boville's assistant looked at some of them; I remember taking them over.

"Q. They are all here, a pretty large bundle? A. Yes, but they were not in that shape; we had them all in condensed form.

"Q. So that is was possible to carry them about? A. Yes.

"Q. What is your recollection of any one in the Finance Department looking at them? A. My recollection is I think it was Mr. Boville".

WITNESS: No, I never saw them; the only document with regard to the subscriptions which I have at all any recollection of seeing was the list of subscriptions attached to the affidavit, not the original subscriptions but the list as attached to the affidavit.

Q. He put the date at which he thinks you saw them the second day after Hunter left, which would be the 30th, that would be the day on which the certificate issued. On page 506:

"Q. And as you got your certificate on the 30th, I suppose if Mr. Boville saw those subscriptions he would have seen them on the 30th? A. On the morning the first time I went over.

"Q. Is that the morning you went over and just saw Mr. Fielding for a moment and was put off till the afternoon? A. Yes.

"Q. You took over your subscriptions with you? A. Yes, that is my recollection.

"Q. Who asked you to show them to Mr. Boville? A. I do not think anybody asked me. I was speaking to him as I passed in and laid them down.

"Q. You said you laid the subscriptions down when you were speaking to Mr. Boville; what did you do that for? A. I just invited him to look at them".

Then later on: "A. When we went in the first time we showed everything to Mr. Boville, all our notices and affidavits and everything".

Then on page 507 he says: "I am positive that we looked at two or three of those subscriptions".

WITNESS: I have no recollection whatever of any of those original subscriptions having been submitted to me.

Q. Would Mr. Ross by any chance have seen those subscriptions if they were down there? A. What date was this, 1906?

Q. Yes? A. I do not think Mr. Ross was appointed at that time.

Q. He said that in his conversation with the Finance Minister there were specific discussions with regard to some of the subscriptions, and that he made an explanation that certain subscriptions of the list should really have been taken off, and that there was no provision in the Bank Act to take them off, that he had to put on Lindsay's subscription to make a larger amount? A. I have no recollection of anything of that kind.

Q. The Lindsay subscription was a $50,000 subscription? A. Was a large one, yes.

Q. And he thinks that was discussed? A. Yes.

Q. At page 508 he puts it this way: he speaks of Mr. Fielding's interview, then he says, "Mr. Boville's was very different altogether. I saw Mr. Boville as I passed through in the first place; I had no discussion whatever with Mr. Boville regarding any subscription, that list, or anything about the subscriptions, but I had the second day when I went in; he looked at them but did not pay very much attention to them, that is my recollection of it.

"Q. In order to make it quite clear you went into Mr. Boville's office with the subscriptions? A. The second day.

"Q. The day you got the certificate? A. The day I got it, yes.

"Q. Did you discuss any subscriptions with him? A. No".

Then a little later on. he said: "We deposited the list and the papers in the first place, and the second day I went there I laid the subscriptions down. I thought they would look at them while I was away.

"Q. Did you tell him what they were? A. Yes".

Then he says you could not help seeing them?

WITNESS: I have no recollection of the original subscriptions whatever.

Q. Did the Finance Minister, Mr. Fielding, discuss with you any individual subscription? A. I think our discussion was rather on general lines, that the subscription list was a large one and seemed fairly well distributed, but I have no recollection of the discussion of any particular subscriptions.

Q. He says he discussed specifically with Mr. Fielding the $50,000 subscription of Lindsay; did Mr. Fielding discuss that with you? A. I have no recollection whatever of a discussion of that kind.

Q. Travers further says that he had three interviews with the Finance Minister; are you able to say whether that is in your knowledge or not? A. I could not definitely state as to the number of interviews; I knew there were some interviews.

Q. Did Mr. Travers mention to you the Laidlaw subscriptions which were the subject of a suit? A. No.

Q. Did you discuss them with him at all? A. No.

Q. Did Mr. Fielding mention it to you? A. No.

Q. Or any other individual subscription? A. No.

Q. He says there is no doubt that Mr. Fielding had been communicated with and spoken to by numerous people about the list, were you one of those who had informed Mr. Fielding at all? A. No.

Q. How did it come that that letter was written asking for the individual amounts paid on the various subscriptions? A. On account of these floating rumors which have been referred to before that it was possible that the directors may have been endeavoring to obtain advances from the banks to make up their $250,000 we wanted to make certain whatever money came to us in the shape of a deposit came legitimately from the subscribers.

Q. Very shortly before Travers came down that letter was written? A. Yes.

Q. That was written anticipating an application? A. Yes.

Q. He brings you down the list showing you the subscriptions, the individual amounts paid apparently? A. Yes.

Q. And then it is that he says Mr. Fielding, and it seems natural although Mr. Fielding denies it, that inquiry would be made as to the individual subscriptions; did you make any inquiry? A. No, we relied on the affidavit.

Q. If Mr. Travers is right in saying he spoke to the Minister—the Minister denies it of course—at all events as you know you were not communicated with by either Travers or Mr. Fielding? A. No.

Q. He said that in discussing the Laidlaw subscription he pointed out that there was nothing to permit him to take them off the stock list once they were put on there; that is a peculiar question, and if it came up I fancy you would remember it? A. I fancy it would stay in my mind.

Q. Do you remember it at all? A. No.

Q. Had you discussed that with Mr. Fielding in a general way apart from any specific reference to the Laidlaw subscriptions? A. No.

Q. Did any telephone message come on the 30th before the certificate was issued from any one regarding the issue of the certificate? A. Any telephone message?

Q. Yes? A. Of what nature?

Q. Objecting to it being issued or saying that the letter was on the way? A. No.

Q. No telephone from the Bankers' Association? A. No.

Q. None from Sir Edward Clouston? A. No.

Q. Or Mr. Knight? A. No.

Q. Did you discuss at all with Mr. Fielding what he and Mr. Calvert have mentioned, the fact that this application was made on behalf of the farmers practically, and that they did not want it said that they had turned down the application? A. There may have been some conversation of that kind, but not a discussion.

Q. Were you present at any of the discussions between Travers and Mr. Fielding? A. I may have been called in by Mr. Fielding for a few minutes, it is quite possible.

Q. Have you any definite recollection? A. No definite recollection.

Q. Could not say what occurred? A. No.

Q. The Ministers Budget speech had been delivered as far as I can make out on the 29th November? A. Yes.

Q. And the 28th was the day Mr. Hunter and Mr. Travers were in Ottawa? A. Yes.

Q. And if they came in apparently they did not see Mr. Fielding? A. No, I do not think they would because he would be very busy in his preparation, see nobody.

Q. Mr. Calvert's recollection is that he introduced Travers to Mr. Fielding on the 28th? A. It may be, but it is not likely Mr. Fielding would be interrupted in the preparation of his Budget.

Q. You think he would be busy? A. Yes, rather.

Q. Then you would be the one that he would naturally communicate with? A. Probably left his papers with me on the 28th.

Q. Was he conscious of any hitch on the 28th? A. No other hitch than any hitch that would arise out of my letter to him with regard to the subscriptions from each individual shareholder.

Q. Did he deliver those to you on the 28th? A. Yes.

Q. After looking at it as you did, did you say anything to him about it to lead him to think there was a hitch? A. No, I do not think so.

Q. Was there a hitch? A. There was not any hitch; the papers seemed to be in order; the list of subscriptions seemed to be fairly large and widely distributed, and on the face of it there apparently was not any hitch.

Q. You sent it over to the Deputy Minister of Justice the same day according to the letter? A. Yes.

Q. That would not have been done if you had not been satisfied with the list? A. No, we would have held that for discussion.

Q. Did any one speak to you on the 28th and urge you to help it through? A. Urge me?

Q. Yes? A. No.

Q. Or say to you, help it through? A. I have no recollection of any one having said anything to me of that nature with regard to putting through the certificate.

Q. I am not suggesting there was anything improper in that; did any one in a friendly way say to you "Now, here is this man down, help it through"? A. I have no recollection of anything of that kind.

Q. Did you have any talk with Mr. Calvert on the subject? A. I have no recollection of a conversation with Mr. Calvert; I may have met him on the street casually; I have no recollection of him coming to the office specially.

Q. Or any of the Ministers? A. No, no recollection of any Minister having spoken to me with regard to it.

Q. Nor any one else? A. No; I think the negotiations were between Mr. Fielding and myself altogether.

Q. You say the 28th and 29th and 30th were the three days and only the three? A. Yes.

Q. You do not recollect any one at all speaking to you? A. No recollection.

MR. COMMISSIONER: What day was the 28th? A. The Budget speech would probably be delivered on a Thursday; it was delivered on the 29th.

MR. THOMPSON: Wednesday was the 28th November, 1906.

MR. COMMISSIONER: Have any regulations been passed as to what is to be done in order to obtain a certificate? A. No regulations have been passed.

Q. None have been passed up to this date? A. No.

Q. You simply act upon the provisions of the Bank Act? A. Yes.

Q. How far is that a matter of routine before it reaches the Treasury Board or the Minister, departmentally, if I may use that expression? A. The various clauses of the Bank Act—what would probably be done, the various clauses of the Bank Act leading up to the granting of the charter would be taken, the notice in the Canada Gazette would be checked to see those were correct; the deposit would be examined to see that that was correct; the various steps, the election of directors and so on would be verified in whatever manner seemed best to us by affidavit or otherwise, but we satisfy ourselves that the various steps required by the Bank Act are taken; the duty is sometimes subdivided.

Q. That is primarily your responsibility? A. Yes.

Q. If the papers appear in order what is the next step? A. Then I would advise the Minister of Finance that the Department had gone through the papers and that they seemed to be in order, were apparently to us in order, and await his further instructions.

Q. Is there any certificate given by you or by any officer that the papers are in order? A. Not always; sometimes an officer will certify he has gone through the papers, and sometimes he will report verbally.

Q. Does the officer assume any responsibility for examining the list in order to determine whether it is a good list of shareholders? A. No; I myself would look through it and gather generally whether it is a good list.

Q. For what purpose? A. Simply for advising the Minister that the list was widely spread.

Q. Do you assume if it was not a satisfactory list the Treasury Board might refuse to grant the certificate? A. By all means.

Q. That you understand to be in the discretion of the Board? A. Yes.

Q. The letter that Mr. McCarthy had written had been withdrawn? A. Yes.

Q. You treated it as if it had never existed? A. Yes.

Q. Do you not now see that that was probably a mistake? A. Oh, yes.

Q. The letter contained two branches, one of which contained information as to the discounting of the notes, and the other the complaints of his clients? A. Yes.

Q. So that as far as the discounting of the notes was concerned that remained, although the documents were withdrawn? A. Yes.

Q. But I suppose that escaped observation? A. That was off-set, sir, by the very clear and distinct affidavit.

Q. You had the affidavit? A. Yes.

Q. You spoke about a letter you wrote to Travers? A. Yes.

Q. I do not see it among the papers: what date was that? A. It should be there; it would be a week or two before that.

MR. HODGINS: November 21st is the date.

MR. COMMISSIONER: Is that this letter of November 21st, 1906; "Referring to your letter of the 23rd October, making a deposit under section 13 of the Bank Act of the sum of $250,000, I have no doubt that you will be applying very shortly for a certificate under section 14 to commence business. In the papers to be submitted to the Board in support of the application there is a list of bona fide subscribers"—I suppose that meant there is to be a list? A. Yes.

Q. "There is a list of bona fide subscribers of capital stock of the bank showing subscriptions to the extent of $500,000. Would you be so good as to have added to this list for submission to the Board a statement showing the actual amount of cash paid up by each subscriber". That last paragraph, what led to that? A. These statements that were spread abroad.

Q. I see in a letter you wrote to Mr. Clouston on the 3rd December you say: "I previously had some conversation with Mr. Fielding, who was very busy in the preparation of the Budget speech, with regard to this application. But on Friday

last, the day after the delivery of the Budget Speech, Mr. Travers, the General Manager had an interview with him. In the course of this interview that gentleman gave a most positive assurance that 'Not a dollar' of the amount deposited had been borrowed. For the purpose of record Mr. Fielding wrote Mr. Travers a letter, of which I enclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case bona fide cash payments. I enclose a copy of Mr. Travers' reply."

Were you present when the assurance was given by Travers or was that upon information? A. Probably upon the information of the Minister.

Q. Who dictated the letter of the 30th November, the one that is referred to in that letter to Sir Edward Clouston, the letter to Travers; was that Mr. Fielding's letter or your letter? A. Mr. Fielding dictated it, dictated by Mr. Fielding himself.

Q. I want to call your attention to the language of that letter and the language of the reply. After the early part of the letter which is not important: "There is a phase of the matter which I should like to bring to your notice so that you may consider it at once. It has been represented to us that in some previous instances where an application was in all respects apparently regular, there was actually an evasion of the intention of the Bank Act in relation to the paid up capital. We have been told that in some cases the subscribers did not actually pay in cash, but gave notes to the provisional directors which were used to raise the money. On account of information of this kind, which has reached us in relation to a previous case, we deem it proper to scan very closely every application for a certificate which comes to us."

Was not this in regard to this very application? A. That is Mr. Fielding's dictation.

Q. Mr. Fielding apparently was in error about that, because it was in regard to that very application? A. He may have had information of some previous case.

Q. But surely you know that what he would call his attention to would be the information about this particular case he was dealing with? A. I do not know.

Q. Then he says: "I shall be glad to have an assurance that nothing of the kind has taken place"—perhaps that was a polite way of letting Mr. Travers know—"I shall be glad to have an assurance that nothing of the kind has taken place in relation to the subscriptions for the Farmers Bank, but that the amounts set forth in the application as having been paid up have in every case been bona fide cash payments". That letter looks to me like a letter of a gentleman who did not know that any complaint had been made with regard to this particular one, because such things had occurred in other cases he was desirous of guarding against a similar thing happening? A. I would not like to interpret Mr. Fielding's dictation, but I have no doubt he had in mind that application.

Q. Are you sure that Mr. Fielding knew or had present to his mind when he wrote that letter, Mr. McCarthy's letter? A. I think so, yes.

Perhaps I may qualify it,—not so much Mr. McCarthy's letter as the general idea.

Q. Notice what Travers answer was and see it was no answer at all to the request; "In reply to your letter of the 30th November I have to say that in the case of the Farmers Bank of Canada the provisional directors did not raise the money in the way mentioned by you. You will find the statement put in by me absolutely correct as to the amount of the stock subscribed and the amount paid up." He did not answer the question at all? A. Not quite.

Q. The fact was, as we have found, that the money was raised upon the notes. the provisional directors did not raise it all, he raised it; that I suppose escaped notice? A. You must bear in mind that between the previous to the writing of that letter of Travers Mr. Fielding had a conversation with Travers.

Q. Would not that naturally make a man suspect? A. In view of the previous unconditional statement made by Travers in regard to the correctness of the method of raising the money I presume that was lost sight of in the case of that letter.

Q. I fancy if it had gone to the Minister of Justice's Department they would probably have noticed the difference. They are not lawyers in the Finance Department; and it was a very carefully prepared reply, as specious as it was brief? A. Specious, yes.

Q. How did it occur to you or to the Minister that he would be likely to get anything better to reply upon in the form of a letter when he had the sworn statement of the man whose assurance he was asking for, one was under oath and the other was not? A. I presume Mr. Fielding something to show he had taken—

Q. To put him on honor? A. Yes.

Q. Don't you think a thing of this kind indicates that some examination should be made by the Department at the source? A. That is what we do now; we have had cases since and we have.

Q. You do not rely upon any affidavit? A. No.

Q. You see at this time we really had no reason to suspect the bona fides of Mr. Travers other than any other general manager of a bank.

Q. Supposing he had frankly told you, "The provisional directors had notes of good farmers, $100,000 odd, they endorsed them without recourse to me, I was managing the whole thing, and they were handing it over to me, and I borrowed upon my personal security, hypothecating these notes I borrowed $80,000 which I applied to the credit of these men whose notes I held", what would have been the action of the Department. A. It would have been a question then whether that could have been regarded as a payment in cash, and probably we would have taken legal advice as to it.

Q. Apparently there is no information sought as to what the preliminary expenses of floating a bank are? A. No, it had not been usual to ask for that.

Q. It apparently cost about $41,000 to get this bank up to that stage? A. Yes.

Q. If you had been told that either ten or fifteen per cent of a premium had been paid to Travers and his agents for securing subscriptions for the stock and that that had been paid out of money of the subscribers, would that have made any difference? A. The cost of collecting subscriptions?

Q. Not collecting them but of getting them? A. The agents commission?

Q. Yes? A. If the commission were fair and reasonable if we had the information we would not regard it as a very serious obstacle; of course if the expense of organization is excessive it is a question to bring before the Board, the Government; it is something they should know.

Q. I suppose if this were to be done over again it would probably be in writing what the objections were so that it could be in writing how they were disposed of? A. Yes.

MR. HODGINS: I am asking this question at your own request? A. Yes.

Q. Owing to what Mr. Travers has said, it appears that a sum of $3,000 was received by somebody, Mr. Travers being under the impression that the receipt of that was going to help his getting the certificate through, did you get any part of that? A. Absolutely and unreservedly no.

Q. Do you know anything about any such sum of money or any sum of money having been used? A. Absolutely and unreservedly I have no knowledge of any such sum of money having been used in that way or any other way.

MR. COMMISSIONER: Travers himself said not. A. I would like to have it confirmed by better evidence.

JAMES BROUGH of the Timber Branch of the Department of the Interior was present, but was not sworn. The following discussion took place between Mr. Brough and Mr. Hodgins:

MR. HODGINS: I would like to know the amount that Peter Ryan offered by tender for these limits which he has mentioned on the 22nd January.

MR. BROUGH: One cheque was $350 and the other $2,050.

MR. HODGINS: My recollection is there were four tenders by him that day copied in his letter book or it may have been three.

MR. BROUGH: No, there were only two that day.

MR. HODGINS: Were any tenders put in Mr. Scott's name or Mr. Pearson's name?

MR. BROUGH: These were on behalf of J. G. Scott.

MR. HODGINS: Were there no others, only the two?

MR. BROUGH: Yes.

MR. HODGINS: On the 22nd January?

MR. BROUGH: The 23rd January.

MR. HODGINS: That is the date they would be received here.

MR. BROUGH: Yes; that was the date of the opening of the tenders.

MR. HODGINS: Those were the only two, Ryan, Scott or Pearson.

MR. BROUGH: Yes.

MR. HODGINS: Mr. Ryan asked me to examine the Members of the Treasury Board; I have made some inquiries. I think if they had been convenient in Ottawa, I would have examined them to satisfy him, but I think at the present while he has not withdrawn the request, I do not think he is insisting upon it. Mr. Fielding has been examined and of course has covered the ground, and I do not think either Sir Richard Cartwright's or Mr. Brodeur's denial probably is necessary unless something more is said than has already been said.

MR. COMMISSIONER: In reference to this $3,000?

MR. HODGINS Yes. I think I can fairly take the responsibility of not calling them. So that at present I have no further evidence to offer here.

The Commission adjourned sine die.

Toronto, December 12th, 1912.

The Commission met at 11 a.m. at Osgoode Hall.

PRESENT:

HONOURABLE SIR WILLIAM MEREDITH, Commissioner.
JOHN THOMPSON, K.C., representing the Dominion Government.
WILLIAM LAIDLAW, K.C., representing the shareholders.
W. C. MIKEL, representing depositors.

THE COMMISSIONER: Is there any further testimony?

MR. THOMPSON: There is no further testimony; but there has come to my notice a letter written by the Deputy Minister of Finance dated May 2nd, 1907, which perhaps ought to be filed as an Exhibit.

MR. COMMISSIONER: Very well; I suppose a copy of it is in the Return?

MR. THOMPSON: Yes.

MR. COMMISSIONER: The Returns that were made in answer to this request are on file.

MR. THOMPSON: Yes. A copy of a letter in reply to that, written by the general manager to the Finance Minister, was attached to it.

MR. COMMISSIONER: Let them both go in together.

EXHIBIT 91: Letter from T. C. Boville, Deputy Minister of Finance, to W. R. Travers dated May 2nd, 1907, and letter in reply from Travers to Minister of Finance, dated May 11th, 1907.

MR. THOMPSON: I have no further testimony to offer.

MR. COMMISSIONER: Has anybody else any evidence to offer? Mr. Clarkson, is there any information you can give that will be of any importance that we have not got from you?

MR. G. T. CLARKSON: No, sir.

MR. COMMISSIONER: No further light about that $3,000 cheque?

MR. THOMPSON: You remember, sir, we adjourned to Ottawa and the clerks in the Russell House were examined, and they were unable to throw any light upon it. No new evidence has come to light since then. The chief clerk at the Russell House was to prepare a statement for me in connection with the people who had registered at the Russell House during certain days. I looked over that and there was nothing in that to throw any light upon the matter at all.

MR. COMMISSIONER: The cheque has not turned up.

MR. THOMPSON: No.

MR. COMMISSIONER: There was no stub for any cheque of that kind.

MR. THOMPSON: No, sir.

MR. COMMISSIONER: Nor any entry.

MR. THOMPSON: There is a cheque of $3,000, but that is already on file.

MR. COMMISSIONER: Let me see that one. (Exhibit 60). This is January, some time after.

MR. THOMPSON: Yes.

MR. COMMISSIONER: Was this charged to commissions?

MR. G. T. CLARKSON: No sir, charged to fixtures and furniture.

MR. COMMISSIONER: Have we learned what the actual destination of the money was?

MR. G. T. CLARKSON: Mr. Travers, I understood said he got the money and cashed the cheque. I do not remember what evidence he gave as to the disposition of the money.

MR. COMMISSIONER: I think Mr. Travers might be called and asked about this.

W. R. TRAVERS, Recalled:

MR. THOMPSON: One of the exhibits (Exhibit 60) is a cheque for $3,000 on the Union Bank of Canada, dated January 7th, 1907; was that the cheque that you deposited in Ottawa to some unknown person? A. No.

Q. Look at that cheque, exhibit 60? A. I was unable to say what that was used for in my examination, and I cannot say. What I did say was this, that after this cheque was shown to me and I saw the moneys on the back of it I said it might have some connection with the other money but I could not say without seeing the date of payment of the other cheque.

Q. You told us you were expecting that $3,000 from Ottawa and had made provision for it? A. Yes.

Q. I think your testimony was that when the cheque came in you collected the funds and cashed it? A. I cashed it. This cheque was shown to me, I think you will see in my evidence I said I was puzzled because the appearance of this

money looked to me like the money I paid for that cheque; if I had the other cheque and I paid it on this date, I would almost be able to swear positively that was the money.

Q. Your impression is you may have issued that cheque on the Union Bank to provide funds for the cheque which you gave in Ottawa? A. No, I did not say that; I do not know what this was used for; I think in all probability, at least it is possible, I changed the money I had in my desk, in my box, for that money; that is why I said if I had the cheque that we might see where that was deposited and what bank, which would clear up the whole thing.

Q. You are referring now to the proceeds of this Union Bank cheque? A. I do not know what that $3,000 was used for, the books do not show, paid to me.

Q. Would the date of this Union Bank cheque be about the date on which you were expecting the $3,000 cheque from Ottawa? A. I could not say that; it seems to me too early; I think it was later than this.

Q. You think the cheque from Ottawa came in after the Union Bank cheque? A. Yes, I think it came in later than this.

Q. Did you give the cheque in Ottawa in October? A. I gave it on November 28th.

Q. I thought your testimony was to the effect that the Ottawa cheque came in about a month or six weeks after? A. Yes, that is what I said, about a month or shortly after the bank opened.

Q. Would not that correspond with the date of the Union Bank cheque? A. Very nearly so.

Q. What is the date of the Union Bank cheque? A. This was January 7th.

Q. If you were expecting a cheque from Ottawa in would not you likely make provision for it some time before? A. I did make provision for it some time before; I commenced making provision for it at once.

Q. If the cheque from Ottawa came in about six weeks after you had issued it, that would be about one week after the date of the Union Bank cheque, would not it? A. I should say so, about that time; I cannot say exactly what the date was; I cannot positively swear to that.

Q. My impression is you said the cheque came in about six weeks after?" A. Yes, about a month or six weeks I think I said.

Q. And the Union Bank cheque is dated about five weeks after? A. Yes. I cannot say that that cheque was issued for the purpose of taking up the other cheque that I left in Ottawa, but in seeing that money on the back, as I said before, it gives me the impression that that is the money I used. If I had the other cheque to fix the date of the payment, and it was the date, then I would be quite sure of it.

Q. Did you meet Mr. Peter Ryan in Ottawa the first day you arrived? A. I did.

Q. Was it the day or the following day you placed the cheque for $3,000 in an envelope? A. It was on that day.

Q. The same day? A. Yes, that is my recollection, that it was that very day, that very night.

Q. Do you remember on what bank the cheque was drawn? A. On the Traders Bank.

Q. Was it one of the three cheques sent you by Fitzgibbon? A. No, it could not have been; I did not get those for two or three days afterwards. I had cheques in the office in my possession on every bank, so that if shareholders came in to make their payments on their stock I always had a blank form. I took a blank form of the Traders Bank down with me, and then after settling with Smith, Hunter said to me, "you may want something else, I will have some more cheques sent down", that is the way those cheques came to be sent down.

Q. In what other banks than the Traders Bank did you have money which would meet any $3,000 cheque? A. At what time?

Q. At the time you went to Ottawa? A. I had not money in any other bank.

Q. Was the Traders Bank the only bank? A. Yes, that is the only bank.

Q. So that if you issued that cheque for $3.000 it must have been on the Traders Bank? A. It was on the Traders Bank, I am quite sure of that.

Q. And probably a Traders Bank cheque? A. I am quite sure of that too, it was a Traders Bank cheque.

Q. And you are quite sure it was not one of the three cheques which Fitzgibbon sent to you? A. I am clear on that because I did not get them, let me see, it would be the 30th they came down to me.

MR. COMMISSIONER: You paid Guthrie & Pringle apparently on the 4th December, according to this stub (in exhibit 90)? A. I think I post-dated that cheque so as to be able to get home before it would be presented.

MR. THOMPSON: You paid their account when in Ottawa? A. That is my recollection of that, that I did; if that is one of the cheques it is certainly paid while I was there.

Q. When you were in Ottawa you used two of the three cheques, did you not, that were sent down to you by Fitzgibbon? A. I don't think I did; I think I only used one for Guthrie & Pringle; I am not sure whether—

Q. Did you not issue a post-dated cheque to cover Smith's account at the same time? A. No, I gave Smith an I.O.U.

Q. How was the I.O.U. subsequently paid? A. Paid by cash. Mr. Shaver proved that for you; he said he drew it on the Traders Bank and paid it to him; the cheque is on file.

Q. There was a cheque issued subsequently to Smith? A. Yes; I am quite sure it is not one of those cheques.

Q. Do you recollect what became of the remaining cheques which were sent to you at Ottawa? A. I could not say; the stubs should speak for themselves I should think; I very seldom saw the cheque book at all. The cheques were always made out and brought to me to sign; I did not see that cheque book all the time the business went on as much as I did while I was here at this investigation.

Q. What was the date the money was drawn from the Traders Bank?

MR. G. T. CLARKSON: That the money was withdrawn from the Traders Bank in entirety?

MR. COMMISSONER: Yes.

MR. G. T. CLARKSON: 21st December, 1906, $53,000 was drawn out then.

MR. THOMPSON: Do you remember the name of the clerk in the Russell House who gave you Peter Ryan's room number? A. No, I could not say what his name was.

Q. Was it one of the clerks in the hotel? A. It was.

Q. Are you quite sure? A. I am satisfied of that.

Q. Was it from one of the clerks that you got your information? A. Yes, my recollection is that he told me the number of the room and that I put on the back of the cheque.

Q. You thought he was giving you Mr. Peter Ryan's room number? A. I did think so.

Q. I might say that Mr. Peter Ryan was not registered in Ottawa at the Russell House? A. That may be true; that may be the reason I asked for the number. I do not remember looking at the register, but that may be the very reason I asked where I could find him.

Q. What you state is the clerk in the hotel gave you the number when he was applied to by you for Mr. Peter Ryan's room number? A. Yes.

Q. Is there any further light you wish to throw upon this? A. I wish I could; I cannot throw any further light in the absence of that cheque; I think if we had the cheque it would unravel itself. I cannot do it.

MR. COMMISSIONER: Why did you not anticipate this cheque would be presented to the bank? A. Because I intended to move my money, as soon as I got back, from the Traders Bank.

Q. It might have been presented any day between the day you issued it and the day you withdrew? A. That was the reason I left my card stating that I would pay it in cash, because I was afraid perhaps it might be sent in and the Traders Bank would refuse it, had I withdrawn the money.

Q. Why would the Traders Bank refuse it? A. If I had not the money.

Q. If it came in after you withdrew? A. Yes.

Q. When do you say you have seen that cheque since the failure of the bank? A. My recollection was that I saw the cheque at the time that you were to preside at the Assize Court; that would be in May, 1911, if my memory is correct.

Q. Where did you see it then? A. I thought I saw it in the County Crown Attorney's Office while Mr. Lynch-Staunton was there, but he said it was not so and I do not wish to contradict him.

Q. What is your memory as to whom that cheque was payable? A. That cheque was payable to myself and endorsed by myself.

Q. In Blank? A. Yes, sir.

Q. And marked with the letter "C"? A. It was marked with the letter "C."

Q. What would "C" signify? A. I am not quite sure whether I put "Charter" on it, I do not remember whether I marked it at the time or whether I marked it afterwards.

Q. What do you mean by afterwards? A. After I had paid it.

Q. What did you do with the cheque when you paid it? A. I put it in a private drawer in my desk with some other papers.

MR. THOMPSON: Was the cheque the same colored paper as those which are produced of the Traders Bank? A. Yes, about that color; of course the shade varies; I don't know what printing it was; I think it was exactly the same color as that one.

Q. Did you notify the Traders Bank you expected a cheque in for $3,000 and request them to send it over to you if presented? A. The Traders Bank were notified if any cheques were presented after the money was withdrawn to send them over to the Farmers Bank.

MR. COMMISSIONER: You did not know but what that cheque might be presented the next day? A. If it had been presented then it would have been paid by the Traders Bank and gone through in the ordinary course.

Q. Then why did you put in a memorandum and say to present it to you? A. Because I intended to transfer my account immediately I got home; I had difficulty with the Traders Bank, and I did not intend to leave the money with them a moment longer than possible.

MR. THOMPSON: How was it you did not make provision at an earlier date than about six weeks after the issue of the cheque—did not you expect the cheque to come in immediately? A. I expected the cheque to come in any day, and I commenced making provision for it at once.

Q. If you commenced to make provision for it at once that Union Bank cheque which has been produced would hardly have reference to the Ottawa cheque? A. Yes, I think that the money for this Union Bank cheque was used for some other purpose, I cannot remember just now; I think I traded the money for this, because that looks to me like the money I paid for that cheque, and I thought you could trace that into some bank if it was necessary.

MR. COMMISSIONER: In that way you would have $6,000? A. No, this $3,000 must have been used for some other purpose.

Q. You got money on that $3,000 cheque, Union Bank, then if that $3,000 was in your possession awaiting the presentation of this cheque, you would have had $6,000? A. Yes; $3,000 of this was used for my own purposes.

Q. I thought your suggestion was to change the money you had into bills of this bank? A. What I say is this, that after seeing that I think I changed the money I had to pay the cheque and use this, and I think this went to another party, but I am not positive now; I cannot swear positively on that; when the Telegram comes out and says I committed perjury I want to see the facts and the cheque before me, and I will give you the particulars; I think this went to another party, $3,000 to one and $3,000 to another; that is why I cannot say that.

Q. Who did you expect would lose this $3,000? A. The $3,000 that I left in Ottawa was to come out of my commissions.

MR. THOMPSON: When you say you made provision for the $3,000, did you have the money in your own account? A. I did not.

Q. Where did you keep it? A. The money that I drew on my commissions I kept in my desk in a box that I put in the vaults every night.

Q. Was the money which you provided to meet the $3,000 cheque, kept in the vault or in a box? A. Yes, passed in and out every night, kept there waiting for it to come in.

Q. And if you took that money to pay the $3,000 cheque from Ottawa, is it possible you drew the money from the Union Bank to replace that $3,000? A. No, I am quite sure this went to another party altogether.

Q. To whom did that money go? A. I cannot say positively; I have an idea that $3,000 went to one and $3,000 went to another.

Q. In the same interest, for the same purpose? A. I cannot say that, not for this $3,000. (Exhibit 60.)

MR. COMMISSIONER: As I understand you nothing passed at all between you and Ryan about any payment or in reference to the cheque? A. No sir.

Q. No reference to it afterwards by Ryan? A. No, Ryan never mentioned it to me afterwards by words. Of course I always felt that there was something between us.

MR. THOMPSON: I understand Ryan was in the Farmers Bank very frequently after that? A. Yes.

Q. Almost up to the time of the failure? A. Yes, he was in and out very frequently.

Q. And yet no reference either directly or indirectly made to that payment? A. No, I don't remember ever speaking to him about it.

MR. COMMISSIONER: What particular service was the payment to provide for? A. I could not say that; I understood that there were necessary expenses down at Ottawa to get matters through there; I supposed it was in connection with that.

Q. How long was it after you left the cheque till the certificate was issued? A. Two days, I think.

MR. COMMISSIONER: Anything else?

MR. THOMPSON: No. I have a telegram from Mr. Weldon, stating his train is delayed, but he has nothing special to suggest.

MR. COMMISSIONER: Anybody else anything, because this will be the last meeting probably? You do not desire to say anything, Mr. Thompson, as to the points upon which you would like a finding, or to which you would like to direct my attention?

MR. THOMPSON: No, sir; I have nothing to offer in that line. The Commission was to ascertain what evidence could be offered on the various points, but neither my former colleague nor myself held any brief for any particular interests

or individuals and it occurred to me that your report would cover anything that might be said. We did not hold a brief for anybody in particular, and we did not think it was necessary to emphasize any particular part of the evidence.

The Commission adjourned.

Toronto, Dec. 6th, 1912.

The Commission resumed at 12 noon, at Osgoode Hall.

PRESENT:—

HONOURABLE SIR WILLIAM MEREDITH, Commissioner.
J. THOMPSON, K.C., representing the Dominion Government.
There were also present, WILLIAM LAIDLAW, K.C., representing the shareholders, I. E. WELDON, representing depositors, and SAMUEL SHARPE, M.P. and H. B. MORPHY, K.C., M.P., representing a committee of Members of Parliament whose constituencies, it was alleged, had been effected by serious losses resulting from the failure of the Farmers Bank.

MR. COMMISSIONER: Mr. Sharpe, are all those you expected present?

MR. SHARPE: We expected a considerable number, but they are not here just yet.

MR. COMMISSIONER: Is Mr. Thornton coming?

MR. SHARPE: Yes; we expected him here. He was Chairman of the Committee.

MR. COMMISSIONER: We will wait a while, and in the meantime I will ask Mr. Fitzgibbon a few question. I see he has just come in.

JAMES G. FITZGIBBON, Recalled:

MR. COMMISSIONER: I want to ask you a couple of questions; I have forgotten when you said that you entered the service of the bank? A. About the 19th of November, 1906.

Q. You ought to know about the minutes of the provisional directors? A. No, sir, I knew nothing about the provisional directors meetings or anything in connection with them.

Q. Why not, you were an officer of the provisional directors? A. No, sir.

Q. There was nobody else but the provisional directors at that time? A. I was engaged by Travers, and I had nothing to do with the provisional directors. All I did when I first went in was to get up the stock list until the organization meeting.

Q. If you got up the stock list you were responsible for the entry that certain stock was alloted on the 24th November, where did you get that information? A. Got that from the books that were entered up before I went in.

Q. Not in the books at all, there is no trace of any meeting later than the 9th November I think it is; where did you get that? A. Mr. Shaver attended to all the stock subscriptions and the allotment.

Q. Who looked after the minutes of the meeting? A. I never saw the minutes when—

Q. Don't you know who looked after them? A. Mr. Travers is the only one I knew had anything to do with them.

Q. The report of the provisional directors (exhibit 15) shows that the expenses of the organization up to date "as far as has been paid by the Board amounts to the sum of $44,403.65". In what purports to be a copy of the report in the minute book, instead of the words in the report it says that the expenses of the organization up to date "as far as has been paid by the Board amounts to the sum of $41,291"—that means the substitution of the figures $41,291 for the figures $44,403.65; how did that come about? A. I don't know anything about that.

Q. You were accountant, were you not? A. Yes.

Q. How did it come about when you opened the books these expenses were entered at thirty-two thousand dollars odd? A. I could not say, except Mr. Travers gave the figures to Mr. Shaver, who wrote up the books. I may say if my memory serves me rightly, I made some sort of an analysis in pencil of the disbursements. I think the first entries of the new bank were made in the old provisional directors' cash book by Mr. Shaver as he went along; and subsequently I made an analysis of the disbursements and everything else in pencil and handed it to Mr. Travers and upon the basis of that he made out the figures for Shaver to enter upon the first books of the bank.

Q. What was the purpose in falsifying this report? A. I can assure you I had nothing to do with it.

MR. COMMISSIONER: Was that cash book ever put in?

MR. G. T. CLARKSON: I don't think so.

WITNESS: I am pretty sure the first cash book of the bank was re-written from the old provisional directors' book, that is from the 26th of November up to the 1st of January when we opened.

MR. COMMISSIONER: This report is dated the 22nd of November? A. Yes, that was just a day or so after I went in.

Q. They did not do anything after the 22nd? A. I had nothing whatever to do with the provisional directors in any shape or form.

Q. Those shares were apparently allotted on the 24th, two days after the date of this report; you cannot throw any light on this? A. No, sir, beyond that, if Mr. Clarkson has that bundle of pencil memoranda that were in my desk there might be something there that would throw light on it.

MR. COMMISSIONER: You had better let him see those and see if he can find that.

MR. G. T. CLARKSON: Yes; we have some memoranda there.

MR. COMMISSIONER: It looks as if the minutes of the provisional directors were kept on sheets? A. Yes.

Q. And then they appear to have been written up in typewriting? A. Yes.

Q. And pasted in the books generally? A. Yes.

Q. That was latterly; earlier they were transcribed. A. That was before they had a stenographer; when they got a stenographer in Mr. Travers dictated the minutes to her and they were put on sheets and just pasted into the book.

MR. COMMISSIONER: Mr. Sharpe, shall we wait any longer?

MR. SHARPE: I hardly think it is advisable. They have missed the train or connections, or something.

MR. COMMISSIONER: If you wish, in order to give them an opportunity, I will adjourn until 2 o'clock. I suppose if they are coming they will be rather disappointed if they have not the opportunity of being here.

MR. SHARPE: Mr. Weldon and Mr. Morphy do not think it is advisable to wait. If they intended to come they would have come. I have no objection whatever; although I have some other work to do this afternoon I will come here at 2 o'clock if you think it is advisable.

MR. COMMISSIONER: I am only suggesting it to you. You are one of a party of gentlemen I understand that wanted to be here.

MR. SHARPE: Yes. I may say I am one of the Members of Parliament representing a constituency that has been very vitally and injuriously affected by the failure of the Farmers Bank. We are quite conscious of our responsibility in the matter, and we presume to offer a list of questions to you with the idea of asking you to find specifically upon these questions. It is not necessary to take up your time by any lengthy remarks in regard to the extreme suffering that prevails in consequence of this failure. We are close to the sufferers, we hear their wailings and their heart-beat, because the suffering is very intense. We believe that this is a special case differentiating it from any other bank failure in the history of the country; we do not think there is another case where the certificate to do business had been obtained under such circumstances, and we especially press upon your attention and consideration certain facts relative to the issuing of the certificate. We submit on the evidence that the certificate was obtained from the Department of Finance by the perjury of Travers and by bribery, not necessarily in respect of any member of the Department of Finance, but certainly money was freely spent by somebody that was presumed to have influence with the Department, and, on the evidence, we submit strongly that the Department of Finance has been guilty of negligence to say the least of it. We respectfully urge upon your attention and your consideration that the Department of Finance, the officials of the Department of Finance have been guilty of negligence, and, while technically they are not on trial, they at least have been very prominent in connection with the issue of the certificate, and we submit the evidence would justify your finding that the Department of Finance has been guilty of negligence in issuing the certificate. Of course Travers' subsequent mismanagement had a good deal to do with the failure of the bank, but we feel that Travers' management was made possible only by the negligence of the Department of Finance. Fraud was practised upon the Department, but we submit had ordinary diligence been exercised the fraud would have been discovered by the Department. We think the Department of Finance acted wrongly in failing to take proceedings to recall the certificate and to punish Travers for perjury upon discovering it. Had the Department exercised due diligence after the discovery of the perjury all the subsequent losses would not have occurred, could not possibly have occurred. The bank might possibly have failed through somebody else's mismanagement, but certainly it would not have been through Travers' mismanagement. Travers should have been prosecuted by the Department of Finance, the certificate should have been recalled, proceedings should have been taken to warn the public that the certificate had been obtained by fraud or perjury, or both, and not to deal with the bank; and then all the losses would not have occurred.

We are appearing here, Mr. Commissioner, off our own bat, so to speak; we are rather busy men in different parts of the province; we have not been able to follow the proceedings from day to day, we have not been able to attend daily, and we do not know what presentation counsel made, and we do not want in any way to have our action taken as a reflection on the counsel that have been engaged in the case. As I said before, we are close to the losers, and we hear their complaints and their heart-beats over these losses, and for fear some of the matters may have been possibly overlooked we have presumed to press on your attention the matters that we think are of prime importance in connection with this inquiry, and if these matters have not been overlooked then we desire to emphasize them, and to repeat and reiterate their importance. We hope we are not too late in pre-

senting these matters. It was suggested we might be too late, but I see all the evidence is not yet in, and you have not yet formulated your report, consequently I presume we are in plenty of time in presenting our case. I may say twenty or thirty members of Parliament met several times at Ottawa and conferred over this matter, and appointed a committee, of which Mr. C. J. Thornton was chairman, Mr. Morphy was a member, Colonel Hugh Clark and Mr. Richard Blain were members, and I myself acted as secretary of the committee. We formulated certain questions which I am going to submit to you and ask you to find upon them. This committee formulated these questions and submitted them to the members of Parliament, and they all signed a memorandum asking Hon. Mr. White, the Minister of Finance, to forward them with the request that there be specific findings in reference to them, but for reasons of his own he did not think perhaps it would be well to do that, but thought it more advisable if we would present them in person, and we are here for that purpose. We believe if these questions are not answered specifically the whole investigation would miss fire; the whole object and purpose of the investigation is with a view of obtaining, as I understand it, and my actions from the beginning to the end in this matter have been with a view of finding some justification, some foot-hold upon which the Government could grant relief. We are pressing the Government to grant relief; we think they should; we think it is a special case, and we think the facts brought out in the investigation, supplemented by the facts that were brought down to Parliament, the official Return brought down to Parliament, justify the country in doing something for these unfortunate sufferers, and for that reason we submit to your Lordship the following questions:

1. On the evidence adduced, does your Lordship find that the Department of Finance issued the certificate to Mr. Travers after having received notice that fraud was being practised on the Department?

2. Were $3,000, or any sum or sums paid to anyone by Mr. Travers to induce the issuance of the certificate?

3. After having received notice of the fraud being practised by Mr. Travers to obtain the certificate, could not the Finance Department have recalled, or taken proceedings restraining the use of, the certificate or given notice to the public that fraud had been practised and warning the people not to deal with the bank?

We think that is the manifest duty, that having received notice of fraud either before or after issuing the certificate, they should have exercised due diligence to protect the public in connection with the matter. If you find that Travers has been guilty of perjury in getting the certificate, was there some duty devolving upon the Department to warn the public?

4. After having received Mr. Leighton McCarthy's letter pointing out the fraud that was being perpetrated by Mr. Travers on the Department of Finance, did the Department take necessary and sufficient steps to protect the stock subscribers? If so, what were taken and by whom?

5. In the opinion of your Lordship, did the fact that the amount of capital, required by the Bank Act, was not fully paid up when the certificate was issued by the Department of Finance, cripple or hamper the operations of the Farmers' Bank from the date of the issue of the said certificate and thus encourage reckless speculation?

MR. COMMISSIONER: I do not understand that question.

MR. SHARPE: That is more or less a speculative question.

MR. COMMISSIONER: You said capital paid up; of course, it was not all paid up, it was not intended to be paid up.

MR. SHARPE: But the minimum amount required by the Bank Act.

MR. COMMISSIONER: You had better make it read that way.

MR. SHARPE: We mean the minimum amount of capital required was not paid up when they started business.

MR. COMMISSIONER: However, I understand what you mean.

MR. SHARPE: As I say we are conveying the sentiments of twenty or thirty members of Parliament who feel their responsibility in this matter, who are quite anxious to see some relief granted to those they represent, and consequently we are moved to presume upon you and ask you to consider these questions and answer them as the evidence may justify. Mr. Morphy is here, and perhaps he has something to say.

MR. MORPHY: Nothing at all; I am quite content with the statement Mr. Sharpe has made. It seems to cover the ground.

MR. COMMISSIONER: You might let Mr. Thornton know. It was he that notified me that you would be here. I will be here till 3 o'clock anyway, and if he comes to town you might let him know that I will hear anything he has to say.

MR. SHARPE: Thank you very much.

Toronto, December 26th, 1912.

At 3 p.m., Mr. C. J. Thornton having arrived, the Commission resumed.

MR. COMMISSIONER: Will you say what you have to say, and explain what you think necessary, Mr. Thornton?

MR. C. J. THORNTON: We had arranged to meet your Lordship at noon, that was your telegram, and I expected to be here at 11 o'clock to-day, but my train was three hours late, and the other members of the delegation waited on your Lordship, and of course I was not there. The train being late explains my absence.

Being Chairman of the special committee appointed by the members to see what we could do to help our people, I was in possession of the letter to the Finance Minister in which we requested that certain questions should be answered by the Commissioner if he should see fit to answer them, and we are here to-day because Mr. White advised us to put the questions ourselves to the Commissioner.

MR. COMMISSIONER: Are these the questions which Mr. Sharpe has placed before me?

MR. THORNTON: I presume so.

MR. SHARPE: Yes, sir.

MR. COMMISSIONER: There is no use repeating that.

MR. THORNTON: While I have the letter which we addressed to the Finance Minister, I do not think it is important to file it.

MR. COMMISSIONER: I do not think it is important.

MR. SHARPE: Should you mention the name?

MR. COMMISSIONER: I do not think it is important, if you say between twenty and thirty.

MR. THORNTON: I think, to be exact, twenty-five; every member who was directly interested and was asked to sign this letter. There are eighteen names to it. We did not ask the members of the Government who were interested, for the reason that we thought it was not wise to do so, because of the fact of their being members of the Government.

MR. COMMISSIONER: Then I have the questions; Mr. Sharpe has stated what they are, and left a copy of them here with the Clerk of the Commission.

MR. SHARPE: Yes, sir.

MR. COMMISSIONER: Very well, Mr. Thornton.

The Commission adjourned.

Toronto, January 7th, 1913.

The Commission resumed at 11 a.m. at Osgoode Hall.

PRESENT:

The Commissioner, Hon. Sir William R. Meredith.

WILLIAM R. TRAVERS, Recalled:

By Mr. Commissioner: Q. Who prepared the declaration made by you on the 27th November, 1906, that was forwarded to the Department of Finance when the application was made for the issue of the Treasury certificate? A. Mr. W. H. Hunter.

Q. He knew, I understand, when he prepared it the way in which part of the $250,000 had been provided, that is by the borrowing from the Trusts & Guarantee Company, and the spreading, as it has been called, of the payment on certain of the shares? A. Yes, it was all explained to him.

Q. You seem to have desired to evade answering, while appearing to answer, the questions that Mr. Fielding put to you. Mr. Fielding wrote: "We have been told that in some cases the subscribers did not actually pay in cash, but gave notes to the provisional directors, which were used to raise the money." Now, if you qualify that, "which were used to raise part of the money", was that information not accurate, had not subscribers not actually paid in cash but had given notes to the provisional directors, is not that the fact? A. In fact, that is the case.

Q. And is it not a fact that these notes, or some of them, were used to raise part of the money which was deposited? A. Undoubtedly, those notes were used.

Q. That is the question he asked you. Your answer was, "The provisional directors did not raise the money in the way mentioned by you", was not that put in that form for the deliberate purpose of making it appear you were giving him the assurance that he was asking for, when in fact you were not? A. Well, that is an evasive answer.

Q. And intended to be evasive? A. I considered at that time, as I had put the transaction through personally on the advice of my solicitor, that I was not, while in fact I was evading it, that I was not doing so.

Q. What he wanted to know was whether the subscribers' notes had been used to raise the money: you did not answer that question, but you evaded it by telling him that the provisional directors did not raise the money? A. Yes, sir; that is the fact.

Q. Do you know who prepared the report of the provisional directors of the 22nd November, 1906 (Exhibit 15)? A. Mr. Lown, I think.

Q. Was it true to state, "That the Board have to report in the first place that they have a sum of $579,200 *bona fide* subscribed"—the *bona fide* being underlined—"and out of the subscriptions thereon they have paid into the Treasury Department of the Dominion Government the sum of $250,000"—was that true? A. Well, in form it is true; in fact—

Q. Out of the subscriptions had they paid that, all that? A. Not out of the actual money paid on the subscriptions, but by the borrowing of the money.

Q. Did the provisional directors know the way in which the money had been raised? A. Yes, sir.

Q. All of them? A. Yes, sir.

Q. I see that the expenses of organization up to the date of the report so far as paid by the Board are stated to amount to $44,403.65; were those figures in the report when it was signed and when adopted by the provisional board? A. I could not swear to that positively: there was some discussion about leaving the space blank until it was taken up by the permanent board.

Q. It looks as if those figures had been filled in by the same hand; perhaps you can tell me in whose handwriting they are? A. The figures $579,200 are in my handwriting; and the figures $44,403.65 are in my handwriting.

Q. What conclusion does that lead to as to the form in which this report was when it was adopted by the provisional board? A. I would be inclined to think that they left that blank for me to put in the correct figures.

Q. Or was it the fact that you filled them in before the report was signed? A. I could not swear to that positively; I am not sure about it.

Q. That 5,790 practically is in accordance with the list of shareholders that you furnished to the Department? A. I believe so, yes.

Q. And includes the Laidlaw shares and the shares—? A. Every share that stood on the book at that time.

Q. Although some of them were conditional, and the condition was never complied with, and they never became operative? A. Quite so.

Q. Just look at this minute book (provisional directors' minute book, Exhibit 9); did you ever see that before, minutes of meeting of the provisional board of the 24th November, 1906 (showing to Mr. Travers a typewritten sheet which was afterwards filed as Exhibit 92)? A. I cannot say whether I saw this exact sheet before; that appears to be a copy of the original minutes.

Q. That looks as if it were in the same typewriting? A. It is the typewriting machine that was used by us at that time, I recognize that.

Q. How would it come that that was not entered in the minute book of the provisional board? A. Well, my recollection is that the original one was signed by Mr. Lown, as chairman, and it was pasted in that book.

Q. There is no sign of it? A. Would you permit me to look at the book, please?

Q. You see the last one there is in November some time? A. My memory serves me it was pasted in the wrong place, and when Mr. Lindsay was suing me and I was under examination for discovery, this was detached and was not put back in its proper place, and I am sure I have seen the original minute.

Q. Where were you examined for discovery? A. I was examined before Mr. Bruce.

Q. In the action of Lindsay against you? A. Yes.

Q. Or against the Farmers Bank? A. Against both of us.

Q. Whose name was first? A. I think I was examined first, personally.

Q. Which name in the writ, was it Lindsay vs. The Farmers Bank and Travers, or Lindsay vs. Travers and The Farmers Bank? A. I think it was Travers and The Farmers Bank.

Q. What year would that be in? A. That would be in 1909.

Q. Before the suspension of the bank? A. Yes, sir; some months before.

Q. What became of that suit? A. It never came to trial.

Q. It was not settled? A. No, sir.

Q. That you think is a copy of that minute? A. I am satisfied that is a copy of the minute as far as I can remember.

Q. Because all those shares that appear in that list are included in the list you sent down, I think? A. Yes, sir; they are all on the list; I am sure of that.

Q. Did you include in that list shares that had not been allotted until the 24th November? A. If I remember right there were $500,000 without those shares on the books.

Q. But still there was the statement—I suppose your declaration was made on the 27th; perhaps that may be the explanation? A. It strikes me there was a post-script put to the list that was sent to the Government explaining that.

Q. There is a small post-script saying that certain ones were added afterwards; they do not include the whole of these, they include only 35 shares; this contains 193 shares, and all you returned as subscribed after the 22nd October,

1906, were 35; you did not include Nesbitt's? A. I can explain that. Nesbitt's subscription was ante-dated, although apparently it was not allotted till that time.

Q. What do you mean by ante-dated? A. It dated back to the 22nd October.

Q. Although, in fact, signed when? A. It was signed, I could not say exactly, but a few days before the meeting.

Q. As I understand it, the subscription of Lindsay for the $50,000 stock was signed in blank in the first place? A. No, sir; I do not think so.

Q. When was Lindsay's? A. Lindsay's was signed shortly before the meeting, I do not remember just what date it was, but shortly before; whether it was a week or two weeks I don't know exactly.

Q. How did you come to make a declaration stating that of the foregoing the following were received subsequent to the 22nd October, 1906, and omit Lindsay's and the ones in this statement that are omitted; was not that a misstatement? A. Here is Lindsay's allotted on the 26th October.

Q. This is the 22nd, your date; do you think Lindsay's subscription was signed before the 26th October? A. I would say so after seeing this minute.

Q. I observe in this report the expenses of organization are said to have been $44,403.65, in what purports to be a copy of that report submitted at the first meeting of the shareholders those figures are inserted at $41,291, how did that come about (comparing the $44,403.65 in the provisional directors' report, Exhibit 15, with a copy of that report in the director's minute book, Exhibit 10)? A. My recollection of that was that when Mr. Fitzgibbon was superintending the entering up the minutes by Mr. Shaver, that he called Shaver's attention to the fact that the $44,403.65 did not agree with the figures that were sent to Ottawa, and there must be some mistake, and I think that they were entered up then to correspond with the figures on the original statement.

Q. As sent to Ottawa; in whose handwriting are those figures. (In Exhibit 10)? A. Those are Mr. Shaver's.

Q. When you came to open the books they were entered at neither of those figures, but entered at $32,127? A. Well, I cannot explain the exact figures in that case. Mr. Fitzgibbon had to make some adjustments there to make the books balance in some way, and in discussing the expenses with the Permanent Board, my recollection is that the $10,000 that was paid to the provincial directors, they thought it should not go in the expenses, that we should charge it up to something else.

Q. To what? A. And as we had a lease for 20 years of the premises, we consider that that was a valuable asset and if I remember right the $10,000 was charged up to that.

Q. Is it not a fact that cheques that you had received from persons who had subscribed for shares to the amount of $9,000 were treated as representing $9,000 of that amount? A. I could not swear to that positively, but having seen that memorandum there in Mr. Fitzgibbon's handwriting which I am satisfied I never saw before in my life till Mr. Clarkson showed it to me (referring to what was afterwards filed as Exhibit 93) I would think that that was exactly what was done.

Q. What possible justification was there of not crediting the account of the shareholder with that amount, how could you excuse that? A. Because those amounts had been spread out of the borrowed money.

MR. COMMISSIONER: (To Mr. Clarkson): Is that so?

MR. G. T. CLARKSON: Yes, that is correct.

MR. COMMISSIONER: It would follow when the money of the bank was taken to pay the borrowed money, there ought to have been entries made to readjust that. A. Then there were notes given by these people which readjusted it later on; one case I remember distinctly, in Mr. Gilchrist's case there was a note of $3,000 taken and the cheque was surrendered—a note for $2,700, less $300 he paid.

Q. Is there anything further; this I hope will be the very last meeting of the Commission, is there anything further you can tell me that will help to answer the questions I have put? A. I cannot think of anything I can say now.

J. G. FITZGIBBON, Recalled:

MR. COMMISSIONER: You are already sworn? A. Yes, sir.

Q. In the report of the Provisional Board ofthe 22nd November, 1906 (Exhibit 15), the expenses of organization are stated at $44,403.65; in what purports to be a copy of the report which appears in the minute of the first shareholders meeting the figures are $41,291 (in Exhibit 10); why were those figures or one set of them at all events not brought into the bank's books? A. I could not say.

Q. Did you prepare that statement (Exhibit 93)? A. Yes, sir.

Q. Does not that show that they were put in at $32,000? A. If they were put in at $32,000 it was under Mr. Travers' instructions.

Q. But you made up that account? A. Yes.

Q. You were readjusting all the figures? A. Yes.

Q. How did you get at your $32,000? A. That is more than I can say.

Q. You must remember how you got at it, because I think we all know? A. Unless Mr. Travers told me to take off that $9,000, or whatever the amount was.

Q. What $9,000? A. These cheques that were held in the cash.

Q. That would not account for the $3,000 difference between the figures in the Minute Book and the figures in the Report? A. I cannot say anything about that; I had nothing to do with the minutes nor with the report.

Q. Do those figures not indicate that what you were trying to do was to arrange the figures so that that balance of $32,000 would be justified? A. No sir; this statement was taken out from the books of the bank to show what the figures actually were so far as I could make them out.

Q. But that was not true, the figures show that much more than $32,000 had been expended by the Provisional Board in preliminery expenses? A. I could not give a definite answer without going over those figures.

Q. Did not Mr. Clarkson show them to you? A. No, sir, I have not seen them since I drew them up.

MR. CLARKSON: That is an exact copy of the bank cash book of the first month? A. I took this off from the cash book to find out how the figures were, and they were apparently the figures according to the book.

Q. Into whose possession did the Minute Book of the Provisional Board come? A. Mr. Travers took possession of that and gave me a receipt for it, at least gave me a receipt to the bank, because I never had anything to do with the Provisional Board.

Q. There are your figures? A. Yes, sir.

Q. This is at the commencement of the business of the bank? A. No, it is before the bank opened for business, after the interim between the granting of the license and the opening of the business.

Q. Preparing to open? A. Yes.

MR. CLARKSON: The interim directors' books were carried along, and their cash book was carried along till the 31st December, and then that book was entirely put aside and the permanent books written up entirely differing from the interim directors' cash book.

MR. COMMISSIONER: Not entirely differing, I suppose?

MR. G. T. CLARKSON: Absolutely.

MR. COMMISSIONER: What do you mean by that?

MR. G. T. CLARKSON: Not entirely, but the entries in the permanent books are different from the entries in the provisional book which was written up part of the distance by Mr. Shaver.

MR. COMMISSIONER: Were they re-adjusted; do you mean re-arranged, or were they different figures?

MR. G. T. CLARKSON: The interim book was dropped and the permanent books re-cast on this basis. There are a great many entries that are similar, and there are entries which are dissimilar.

MR. COMMISSIONER: What kind of entries dissimilar.

MR. G. T. CLARKSON: These entries do not appear; those are the summary of the spread amounts of the capital stock and interest (referring to a statement prepared for the use of the Commission.)

MR. COMMISSIONER: That would probably be explained by being in this item.

MR. CLARKSON: Yes.

MR. COMMISSIONER: It does not appear in the same form?

MR. CLARKSON: No, sir.

EXHIBIT 92: Copy of what purports to be the minutes of a meeting of the provisional directors of the 24th November, 1906.

EXHIBIT 93: Copy in Mr. Fitzgibbon's figures (in pencil) of the cash book of the Bank for the first month after organization.

ALEXANDER S. LOWN, Recalled:

MR. COMMISSIONER: You are already sworn: I see that you became Chairman of the provisional board at a meeting held on the 13th February, 1905, replacing Dr. Ferguson? A. Yes.

Q. Who had charge of the minute book of the Provisional Board (Exhibit 9)? A. Mr. Smith was secretary; I think Mr. Fraser was in the first place, and afterwards Mr. Smith.

Q. What became of it eventually? A. I do not know anything about the minute book after I—

Q. I mean when the provisional board finished its labors what was done with their minute book? A. The minute book was left in the bank.

Q. That report (Exhibit 15, report of the provisional directors) bears your signature; who drafted it? A. I drafted it.

Q. Were the figures shown in paragraph 4 in it when it was signed by you? A. I rather think they were; to the best of my recollection they were.

Q. How did you come to sign or to be a party to that report which stated that $579,200 had been *bona fide* subscribed? A. Those figures were furnished me from the books of the bank.

Q. Do you mean to say you did not take any pains to verify them? A. No, I did not check those figures, I simply asked the amount of the subscriptions.

Q. Did you know that several gentlemen's subscriptions were conditional? A. I did not.

Q. Never heard that Mr. Forget's was? A. Well, I do not think it was conditional.

Q. Where did you get the figures for the expenses of organization? A. Apparently they were furnished by Mr. Travers.

Q. Was this your creation (in Exhibit 15): "Said Board also desire to submit to the shareholders that as a result of their labors they have secured for the subscribers to the capital stock of the said bank a franchise extremely valuable in their opinion from the fact that in the future such franchises will be extremely

difficult to obtain, and in the second place from the enormous increase which is equally sure to obtain from the increasing trade, wealth and prosperity of the county"—that should be country," should it not? A. Yes.

Q. "And which must yield to the said subscribers both good dividends and increase in the value of their stock provided they are only loyal to the institution." Do you think you were a very good prophet? A. I do not appear to have been.

Q. Where did you get that idea from, or the ideas involved in that paragraph? A. I certainly thought that the bank, and I think so still, that if the bank had been properly managed it would have been successful.

Q. Were you present at the first meeting of the subscribers? A. Yes.

Q. I see at that meeting the report was read and the figures you had reported for the expenses of organization were reduced from $44,403.65 to $41,291; how was it you did not call attention to that? A. I certainly did not know; it would be impossible in a report being read and not having them before you to detect the difference.

Q. Do you mean to say you did not carry in your mind the amount that had been expended, that you had written into this on the 22nd November? A. Not the exact amount; I knew in round figures it was somewhere about forty thousand dollars.

Q. It appears from the books of the provisional directors that a number of shares, I think they amount to nearly 200, were allotted on the 24th November, 1906, there is nothing in the minute book to indicate that any such meeting was held on that day? A. I know nothing about—

Q. What is the last meeting according to that book (Exhibit 9)? A. There was a meeting on November 6th, 1906, and that seems to be the last meeting here.

Q. How did you come to allot shares on the 24th November? A. There may have been the meeting on the 24th November.

Q. Is that the way the business was carried on? A. The minutes would be signed by me, and I think Mr. Shaver was acting as secretary, and they would be afterwards entered up by him.

Q. Is that minute of November, the last minute, signed? A. No, this one is not apparently signed; that certainly is not the original minute, because all the original minutes were signed by me.

Q. You appear to have signed the copies in the book, they are all copies apparently? A. They are simply pasted in, typewritten copies.

Q. There is what purports to be a minute of the meeting of the 24th November? A. I have no recollection even of this meeting myself.

Q. You know nothing about that? A. I know nothing about this; we may have had a meeting there.

Q. This stock subscription book, the alphabetical one, shows that three McCorquodale shares were allotted on the 24th November; do you think that Mr. Shaver was acting—? A. Mr. Shaver was clerk I think; I think there is something in the minute here; after Smith resigned I think there is something appointing somebody. I notice on October 26th, 1906, the minutes of the Board are written apparently in Mr. Shaver's handwriting.

Q. I understand that you knew of the way in which the $100,000 which formed part of the $250,000 was raised? A. I knew it was raised on the strength of the shareholders' notes, but the way in which it was raised I do not know.

Q. What is that? A. I say the exact manner in which the money was raised I did not know.

Q. I see there were two resolutions passed which in terms say that the notes were to be used for the purpose of raising money to make the deposit. I see on July 4th, the minutes say: "It was moved by Dr. John Ferguson, seconded by John Watson: that the Chairman of the Board, the Secretary-Treasurer of the Board, and W. R. Travers, General Manager, be authorized to endorse all notes made in favor of the Bank for the purpose of raising money to make deposit with

the Treasury Board of the Dominion Government"—do you recollect that resolution? A. No, I do not recollect it apart from the minutes.

Q. Is there any doubt that that resolution was passed? A. I do not think there is any doubt that that resolution was passed.

Q. On the 8th October, 1906, it was moved by James Gallagher, seconded by John Ferguson: "That the provisional directors execute a Power of Attorney to W. R. Travers for the purpose of endorsing all notes in their names as provisional directors, and of signing their names to a note or notes for the purpose of raising funds to put up the deposit with the Government, and we authorize the secretary to hand over all notes to W. R. Travers for the said purpose"; how did you come to decide to raise the money by using these notes, either discounting or borrowing on them; what warrant was there for that? A. Mr. Travers was acting under advice at the time and we were assured—

Q. Under whose advice? A. I think at that last resolution he was acting under Mr. Hunter's advice.

Q. Do you mean to say you did not find out—did you get advice as to whether what you were doing was a proper thing to do, a lawful thing to do? A. I was under the impression it was a lawful thing to do myself at the time.

Q. Having done that did you not take the trouble to find out what Travers had done, and how the money had been applied? A. No.

Q. Why? A. This much I did, I knew that the money was actually at the credit of the Bank, that was the only thing I was careful to find out; the money was not used for any other purposes than the Bank purposes.

Q. Did you think this was an accurate statement (in Exhibit 15): "The Board have to report in the first place that they have the sum of $579,200 *bona fide* subscribed, and out of the subscriptions thereon they have paid in to the Treasury Department of the Dominion Government the sum of $250,000"—Was that true? A. I knew that $100,000 of that had been raised—

Q. I am not asking you that; please follow the question: The statement that out of the $579,200 *bona fide* subscribed the directors had paid in, that is the provisional directors, had paid in, to the Treasury Department of the Dominion Government $250,000, is that true? A. In the sense that that was the proceeds of the money for the subscriptions and negotiable securities for the subscriptions I thought it was.

Q. Whose credit was to be pledged for the loan? A. I suppose the notes of the subscribers.

Q. You authorized Travers to pledge the credit of the provisional directors? A. Which was never done.

Q. You authorized him to do that? A. Yes, but as a matter of fact it was not done.

Q. Why was not it done? A. I do not know, Mr. Travers was doing the negotiating, and I suppose he gave that security the parties who were advancing asked.

Q. Was not that done for the express purpose of enabling Travers to say that the provisional directors had not borrowed any money? A. We were never consulted about the matter.

Q. Was not that done in that way for the express purpose of putting it in the power of Mr. Travers to say that the provisional directors had not borrowed any money? A. I don't know.

Q. You do not know why it was put in the shape it was? A. In the shape in which the money was ultimately borrowed?

Q. Yes? A. No, I do not know because I knew nothing about what was in Mr. Travers' mind, or in the minds of the Trusts & Guarantee Company.

Q. But the plan according to the provisional directors was as far as these minutes show that they were to raise the money on these notes; do you want it to go without any further explanation that you never took the trouble to find out how

it had been borrowed, the terms? A. I don't know how we could have; if we had asked Mr. Travers I am certain he would not have told us.

Q. What is that? A. I say I do not know how we could have found out; the matter was carried on by Mr. Travers, and if I had asked him I do not think he would have told me.

Q. Why not? A. Because I do not think he would have.

Q. Why do you think he would not have? A. Simply because I think so.

Q. What was the reason, have you any reason? A. I have no reason excepting my knowledge of Mr. Travers.

Q. What does that mean? A. Mr. Travers would simply say it was none of your business; that is the answer I would simply expect to have got from him.

Q. The proposition is, knowing that was the attitude he would take, that you deliberately put all these notes in his hands and gave him a power of attorney to borrow money on your credit? A. The only one thing which I did know or cared to know was the money was placed to the credit of the Bank.

Q. But you give the impression that Travers was a man that would not give you any satisfaction, and yet you were a party to authorizing him to use the notes of the subscribers and to pledge your credit for the money that he was borrowing; do you think that sounds reasonable? A. Mr. Travers and Mr. Hunter at that time were negotiating with the securities to raise that money.

Q. Mr. Hunter says he was not? A. Well, he was with Mr. Travers; I did not know any further than that.

Q. That is the way you desire to leave it? A. Yes.

DR. JOHN FERGUSON, Recalled:

MR. COMMISSIONER: You are already sworn; what do you know of a meeting of the 24th November, 1906? A. I could not say anything definitely as to date of any of the meetings, but I was always under the impression that the allotment of stock was performed at some ordinary regular meeting. There might have been a meeting on that date, although I would not at all remember it now as to having occurred at that date.

Q. Would you recollect? A. There might be no minute of it.

Q. Why not? A. There might not; you see not keeping the minute book and knowing nothing of that, there might be a meeting at which we would allot stock and probably no formal record made in the minute book.

Q. Were not these minutes kept? A. Yes, but this was so very close and probably the last meeting held, and I would not afterwards know of its being recorded.

Q. The last recorded one is the 6th November, and this minute of the meeting of the 24th November was two days before the meeting of the subscribers; will not your memory permit you to say how late? A. I have the impression from memory that there was some meeting close to the date at which we gave up our final connection with the organization work, but the date I could not give you.

Q. You knew that a considerable part of the $250,000 that was sent to Ottawa to make a deposit had been borrowed on notes that the subscribers had given for shares? A. Yes; certainly, I knew of that.

Q. How did you come to be a party to the two resolutions, one authorizing Travers to use the notes for that purpose, and the other appointing him attorney to pledge your credit for the loans? A. The first one in July would be for the purpose of raising money upon those notes; later on, as advised by Mr. Travers, and I presumed he was acting under legal advice and I relied upon him; he was

an experienced banker; in that matter, he stated to me that those notes should be made to the provisional directors, and by the provisional directors endorsed over for the purpose of securing the money.

Q. The money borrowed? A. Yes, and that would lead of course to the subsequent resolution of the provisional directors appointing him attorney to endorse those notes made by the shareholders to the provisional directors, and to be endorsed in that way over for the purpose of securing the loan.

Q. Where did you find your authority for using these notes for any such purpose? A. My authority was Mr. Travers' own statement that as a banking transaction it was quite proper, and in addition to that I had my own judgment to guide me, and I believe that it was a perfectly correct transaction, these notes were made by shareholders to the provisional directors, the provisional directors endorsed them over and secured money on them when the shareholders did not have any ready cash, and consequently used them for making the deposit for them without implicating the Bank.

Q. That is not what was done; what was done was to borrow the lump sum upon all the notes; used Mr. A's note to borrow money to pay what B. ought to pay? A. As to the specific detail of using the notes I did not know.

Q. Was it not all wrong to do anything more, even assuming your view of the law was correct, than to authorize these notes to be discounted in order to raise money for each subscriber? A. I thought that was done; I did not know of the bulk transaction.

Q. That is not the form of your resolution; your resolution is not that he was to discount these notes—July 4th: "Be authorized to endorse all notes made in favor of the bank for the purpose of raising money to make deposit"—? A. What would be in my mind would be what I am telling you now, that each note would be used as an individual transaction for each individual subscriber.

Q. Can you tell me why it was that the later resolution authorizing him to pledge the credit of the provisional directors was not carried out? A. No, I did not know that was the form of the resolution, but the purpose under that resolution recited that Mr. Travers—

Q. Well, it was a very serious matter for you to be personally answerable for an hundred thousand dollars, did not you take the trouble to find out whether you were or not? A. The trouble was this that I was advised at the time that the money had been secured and placed to the credit of the bank, so that it could not be improperly used.

Q. You were present when this report of the 22nd November was adopted by the Board, I suppose? A. I do not remember what the record of the minutes would say, whether I was present or not, but I knew of the contents of the report.

Q. That report is dated the 22nd November? A. Yes.

Q. And in that the figures that are given are as they existed according to the Bank's books after the 24th November, because if there was a meeting on the 24th at which shares were allotted those shares ought to have been included in this amount, because your report was two days earlier? A. Just in there I could not give you any information; my memory does not connect that transaction with those individual shares or allotment.

Q. That purports to be the minute of the special meeting held on the 24th November at which it is said to have been moved by Mr. Fraser, and seconded by you, that the following stock be allotted, look at that and see (Exhibit 92)? A. Oh well, if I seconded the resolution I would be present.

Q. You say you have no memory; that is a copy? A. That may be a copy, and might or might not be correct; I say I cannot remember.

Q. Look at the list of shareholders and see if you can tell; there is one prominent one at the top? A. I do not remember the names of the shareholders as given there; I cannot remember, certainly I do not remember the one that you refer to there as being on the list.

Q. Did you appreciate what paragraph 4 of this report says (Exhibit 15): "The Board have to report in the first place that they have the sum of $577,200 *bona fide* subscribed, and out of the subscriptions thereon they have paid in to the Treasury Department of the Dominion Government the sum of $250,000"? A. I fully believed that there was that much subscribed, because that was the information advanced by those that were keeping the record, and I believed and believe still that the securing of the money in the way it was secured was quite *bona fide* and quite a proper transaction.

Q. Was it true that out of the subscriptions, on the stock subscribed, the provisional directors had paid in to the Treasury Department $250,000? A. Yes, I think so, using the funds secured in all these ways that it enabled them—

Q. If you had to do this thing over again do you think you would put it in that shape? A. I don't know; I certainly would not object to the same arrangement of facts, that is taking a personal note from a subscriber and discounting it and using the money to his credit, as I understood the transaction to be done.

Q. Do you know where the figures for the organization expenses that are mentioned in this report were got? A. They were taken from the books, as I presumed, and entered up there.

Q. Do you mean to say that this Board did not take the trouble to verify any of the things that they were certifying to the shareholders? A. You see we had Mr. Smith as Secretary for a time, followed by Mr. Shaver, Mr. Lown was acting as chairman of the provisional board during that period; Mr. Travers was acting organizer, and I would accept without auditing the books myself personally the statements submitted.

Q. Did you look at the book to see if it agreed with the book? A. I don't know that I did; I know I many a time looked through the books in verifying other statements made, whether I did that here or not I cannot say, but I know many many times I went through the columns of the books, verifying other features, but I cannot say as to that.

Q. Were you present at the first meeting of shareholders? A. No.

ALEXANDER FRASER, Recalled:

MR. COMMISSIONER: You have heard what has been going on here this morning, what do you say as to there having been a meeting on the 24th November at which that resolution was passed? A. Is that the resolution of allotment?

Q. Yes; moved by you; it says—A. I have no recollection; I have no doubt this would be correct if I moved it, I would think so, but I have no recollection; if I moved it I would be there, but I have no recollection of the dates of any of the meetings at all.

Q. Can you recollect how long before the first meeting of the subscribers the last meeting of the Provisional Directors was held? A. I should think it would be within two weeks.

Q. That is two days according to that? A. I have been trying to recollect while the others were giving their evidence; I have a recollection of a meeting at which we spoke of the coming meetings of the shareholders pretty close to the time of their meeting.

Q. I should have thought there was one name on that that would have probably fixed the thing in your mind; look at the first name, a large subscription (on Exhibit 92)? A. I have no knowledge of that, nor did I have any knowledge that he had any connection with the organization till I learned from the newspapers after the meeting.

Q. If you were at that meeting you must have known that he was taking that, you moved it according to that minute? A. I have no recollection at all of that.

Q. And that does not bring it to your mind? A. No, and I think it would.

Q. Is the inclination of your mind that such a meeting was not held? A. No, I think there was a meeting held, but I did not know that that would be returned that way.

Q. That that was a correct minute of what took place? A. I should not think the first entry was dealt with at that meeting, that would be my recollection distinctly; because immediately after the meeting, the very day after the shareholders' meeting when I learned from the newspapers what took place, not being present at the meeting myself I was very much astonished, and I remember that astonishment to the present day, and I would not be astonished if I had seen this subscription.

Q. You were present when this report was adopted by the Provisional Board? I suppose (Exhibit 15)? A. Yes.

Q. Mr. Lown tells us he drafted it, was it drafted in consultation with the other members of the Board, or was it his own production? A. My recollection is not distinct on that, but my impression is it was read to us; the business was generally prepared in advance of our meetings.

Q. You had not much to do to earn the fee you were getting if that was so? A. We discussed, of course, what was brought before us.

Q. According to the report that was sent in to the Government, as I understand it, and according to the figures sent down as to the amount of stock subscribed, these shares in what purports to be the minutes of the meeting of the 24th November as being allotted on that day, are included; how could that be in a report dated the 22nd November, two days before the meeting? A. I cannot enter into that; I have no explanation whatever of that.

Q. Would you suggest that it was an error in the date? A. It might be so.

Q. You knew the directors had deliberately determined to raise what money was short to make up the $250,000 on the subscribers notes, and had authorized Travers to procure the money, you knew that? A. That is putting it not exactly as we would put it.

Q. Put it the way you would put it? A. In the first place, and this may explain our position, some of the provisional directors were not sure that notes should be taken at all from subscribers, but at that time Mr. Travers assured us that we were wrong and he was right. We took legal advice on that point and had advice from Mr. Urquhart, who was retained by us some time previously and subsequently to advise us as to our actions. That advice was that Mr. Travers' view was correct. We, therefore, took the notes, and considered that they were the equivalent of cash; we were so informed and understood that all that was regular and correct; the realizing on the notes in a proper way, as we thought would have been done, did not seem to us as far as I can remember anything of our discussions to have been anything but regular and correct.

Q. But your resolution was not that he was to discount these notes, but he was to endorse all the notes for the purpose of raising money to make deposit with the Treasury Board? A. Does that mean that they could not be discounted?

Q. No; what I am calling your attention to is you did not tie him down to discounting them? A. As to the manner of raising the money I think we all felt that Mr. Travers was in the position not merely of the responsible coming General Manager, but our adviser as to the correct way in which it should be done.

Q. Surely it did not require any adviser to make it clear to you that you had no right to use Mr. Smith's note to raise money to pay Mr. Jones' subscription? A. Certainly not, but we never imagined that that would be done, nor did we

know it was done as far as I know until after the bank closed, and proceedings were taken in Court.

Q. Why did not you find out how the money had been raised, you had given authority to pledge your credit, as I judge from your resolution? A. Yes.

Q. Did you not take the trouble to find out whether your credit had been pledged, how the money had been raised, or did you leave it to Mr. Travers? A. The manner of doing it as far as I know, was left to Mr. Travers, but Mr. Travers reported that it had been done, and the money was to the credit of the bank and had been sent to Ottawa.

Q. Supposing he had endorsed your name under this authority, and the note had not been paid, did not you appreciate you would be personally liable to make good to the lender? A. Well, Mr. Travers had the handling of the transactions and I think that all of us had confidence in Mr. Travers' integrity; I do not suppose it ever occurred to any of us, in the circumstances it would be a most unusual thing for a man to do wrong at the beginning of an institution to which he expected he would give his life work.

Q. Let me ask you the same question I have asked the other two members of the Board who have been called: Was this a frank and accurate statement of fact, "The Board have to report in the first place that they have the sum of $579,200 bona fide subscribed"—particularly I am asking your attention to what follows—"And out of the subscriptions thereon they have paid in to the Treasury Department of the Dominion Government the sum of $250,000"? A. I believed that to be correct, because it is so stated to us.

Q. Out of the subscriptions? A. Yes. We regarded subscriptions by note bona fide subscriptions; we regarded money raised properly on those notes to be bona fide subscriptions.

Q. But surely it was not true that out of the subscriptions you paid $250,000? A. Why should not it, if the amount subscribed was correct why should not out of that amount the proper amount be sent?

Q. Was not the proper thing to have said, "The Provisional Directors have used these notes for the purpose of raising so much money, whatever it was, to make up the deposit? A. That would have been easily done if we had for one moment doubted the regularity of the transaction and the legality of it too, because you must remember at that time the point was never raised or dreamt of that these notes were not proper subscriptions so far as the provisional men were concerned.

Q. Do you say raised, because you took advice? A. That was within our own meeting, and it was settled by Mr. Urquhart's letter.

Q. Is there anything lurking in this expression—you probably recollect the eloquent terms in which the draughtsman of this report spoke of the prospects and the future of the bank—the proviso is what I call attention to: "Provided they are only loyal to the institution". Where was the fly in the ointment that led to that? A. Well, sir, I am not prepared to say, but if I were guessing at the thing, if it were permissible to guess, I would say that is a very common expression at the annual meetings of such institutions.

Q. I should hope not; you do not at the beginning suggest a doubt as to the loyalty of your subscribers? A. The co-operation of subscribers and friends and shareholders is always asked for and solicited at these meetings; I think it is a very common street expression.

Q. May I suggest what might possibly have been the reason; I suppose you knew, at all events it was the fact, that certain of the subscribers had taken the ground that they had been induced to subscribe by false pretences, and had taken steps to have their subscriptions cancelled and the bank prevented from going on; was not that what was done leading to the expression? A. I think not, sir. I

think on that point this might be said, I think the provisional directors understood or believed they understood what was behind those proceedings and they certainly had the idea, rightly or wrongly, that these proceedings were purposely with the intention of embarrassing the organization, and the removal had brought expressions of regret—

Q. From whom? A. From some of the subscribers that withdrew.

Q. The removal of what? A. The removal of the suit.

Q. I do not quite understand what that means; that you had been foolish enough to settle it? A. No, no, but we were told that the subscribers that had moved in the Laidlaw suit were sorry they had done, it, and would not have done it had they understood the true inwardness of that effort.

Q. Did they show their faith by their works, by giving back the money and being reinstated as shareholders? A. Speaking from what happened afterwards a carload from that section came down to endorse the bank and took part in endorsing the provisional Board's action at a meeting of the shareholders, or two carloads, and did it unanimously.

Q. I thought it had been said that the meeting was held very promptly before these people could get there? A. No, the report given to us and I think the record will show the meeting took place at the hour advertised, and on the arrival of these later a second meeting was held where everything was explained to their satisfaction.

Q. What do you mean by saying what was behind this suit by the shareholders? A. The provisional directors felt that that suit was not a genuine suit, that is to say that it was to some extent invited; we may have been wrong in that idea.

Q. What do you mean by invited? A. That it never would have taken place if these subscribers had not been approached and the actions suggested to them by outsiders.

Q. Actuated by what motive? A. Actuated by probably personal motives, and probably wider motives than personal ones, put personal motives it was explained to us that way. We firmly held that opinion, and I think we hold it to the present day.

Q. You apparently were not of the same opinion as some people that the powers of the provisional directors were very much limited, and that they had no right to deal with any of the assets of the bank? A. On the legal aspect of that of course I could say nothing.

Q. You were not advised as to that? A. Yes, we were advised.

Q. By whom? A. We were advised by Urquhart.

Q. No, no, I mean of using the notes to raise money? A. Well, so far as that is concerned we understood and I believe we understood it on a definite statement, because we were frank in our discussion, that Mr. Travers had legal opinion behind his position.

Q. Do you mean to say that you were content with Mr. Travers' statement and did not ask who it was that gave that opinion? A. I would not say so; my recollection is that Mr. Travers told us. For instance, Mr. Travers told us that he did not wish to continue with Mr. Urquhart as counsel, and we had no objection to the counsel that he named to advise him from day to day.

Q. At all events you did not take any advice as to whether what you were doing was legal, lawful? A. That is in giving the power of attorney?

Q. In using these notes for any purpose? A. Well, I do not know of any legal advice we got directly as a Board on that, I mean to say written, but I have no doubt and my recollection is, we had that explained to us as being proper and legal by Mr. Travers.

A. S. LOWN, Recalled:

MR. COMMISSIONER: In the subscribers list I see Nesbitt 100 shares, and Gilchrist 30 shares. You see there is nothing in the minutes to show that the shares that are mentioned in this document, which purports to be the minute of the 24th November, were ever allotted; and, therefore, if this minute is correct, they were allotted only on the 24th of November; your report is dated the 22nd November, and all these shares which purport to have been allotted, amounting to nearly 200, on the 24th November, are included in this figure you have there (in Exhibit 15); what do you say about the date of that report? A. The date of that report may have been the date on which I drew it; it should possibly have been dated the 24th.

Q. I do not see anywhere any minute of any meeting at which this report was approved or submitted except this meeting; look at that, and assuming that it is a minute of a meeting of the 24th, what do you say as to the date of the report? A. If this is a correct minute of the 24th (Exhibit 92), then the date of the report (Exhibit 15), should have been the 24th.

Q. I want to see if your memory can be refreshed at all about this meeting; I see "A. W. Lown"—A. That is not my initial.

Q. Perhaps that is a mistake in the copy—one share allotted; would not you know when that was allotted to you? A. I would not remember the exact date of course.

Q. Would not you know whether it was at the last meeting? A. It would be allotted to me at the last meeting, of course.

Q. I see the same day Mr. Hunter was allotted one share—looking at that are you able to say whether that meeting was held as the minute purports? A. I cannot say whether it was held on the 24th or not, because that would be impossible for me to remember what took place on the 24th of November, 1906.

Q. Except by knowing that that was two days before the meeting of subscribers; you were very much interested in this thing, you were to become a manager of one of the branches, and you had been Chairman? A. I could not recollect.

GEORGE T. CLARKSON, Recalled:

MR. COMMISSIONER: Where does that document come from (Exhibit 92)? A. I obtained this document personally in going over the files of the bank about three weeks or two weeks prior to the commencement of these sittings.

Q. Was that the only copy you found? A. If my memory is right there were three copies, or perhaps the original and two copies.

Q. Is that minute book of the provisional board (Exhibit 9) in the same condition as it was when it came into your hands? A. Absolutely.

Q. There is nothing to indicate in that book that any meeting was held on the 24th of November? A. There is not.

Q. You heard what Mr. Travers said about a signed minute having been produced on the examination for discovery; have you any knowledge of that? A. I was particularly interested in getting hold of this minute, because I had reason to believe when this bank first came into my hands that a lot of these stock subscriptions had been ante-dated, and beyond that I had come across some correspondence between Maccorquodale and Luxton which showed that some of the subscriptions had been ante-dated as a matter of fact according to the date of the letters, and so I was looking for this minute and I could not find it, but prior to the sittings here I went over every file of correspondence in the bank personally.

and I came across two or three of these copies, and I remember drawing the condition of the minute to the attention of Mr. Thompson and Mr. Hodgins. I believe the other copies differ from this somewhat in that there are one or two names left off which we had on this list, or perhaps inserted in writing; that is my memory.

Q. Was that signed? A. No, sir, not to my memory.

Q. If Travers is right what he speaks of would have taken place before the books came into your hands? A. Yes, long before they came into my hands.

Q. Where did you find Exhibit 93? A. That Exhibit came out of Mr. Fitzgibbon's private desk in the head office of the bank. What happened was at the inception of these proceedings we were looking for some papers that could not be found, and Inspector Duncan insisted that they must have been present in the bank by reason of information given to him; so we made a search in Mr. Fitzgibbon's desk and we found a lot of the papers, including those we were looking for amongst them. So I had them all taken out—I don't know whether the Inspector had them intact himself, I think he took them away intact, but anyway when they came back to me they came back in a separate parcel, and they have been kept in a separate parcel ever since, and that was amongst them.

Q. What is this Exhibit 93? A. To my mind it looks to me as though—there are figures relating to the accounts of the bank drawn up by Mr. Fitzgibbon—to my mind it looks to me like a statement drawn up for writing up the cash book and not as a copy for writing up the permanent cash book so as to strike a balance.

Q. As shown where? A. As shown in the permanent books.

Q. And had it any bearing on the representation that had been made to the Department of Finance? A. It has this connection, sir, that the representation made to the Department of Finance was that they had received $291,310 of capital stock subscriptions, and the first item starts out with collections of $291,310; the first two or three pages of those are later accounts apparently. That was taken off that report to the Government.

Q. And they started with that as the basis? A. As the basis of the account.

Q. And the account, I judge from what you were saying, was made out to make it agree with that? A. It is common sense that account was made for the purpose of casting up the books that way, not the books made up and the account copied from it.

Q. The preliminary expenses were entered, as we have already heard, the organization expenses, at $31,127.71? A. Yes, sir.

Q. That is some $12,000 less than the actual sum expended? A. Yes.

Q. What was the purpose of that as far as your knowledge as an accountant enables you to say? A. It means they were trying to hide $12,000 of expenses, and the way they did it was this, I think the accounts showed it to me when I went over them, and the evidence given proves it; they had $9,000 of cheques in the drawers which they carried in cash.

Q. Cheques on account of shares? A. Yes, on account of shares.

Q. Not debited to the bank? A. No, they had credited these men with the same amounts as the cheques as having been paid on their stock out of the money borrowed on the notes, so they disregarded these cheques entirely; the cheques as cheques were not entered in the bank books at all; they carried them in their till as cash; then there was $3,700 left over out of borrowing from the Trusts & Guarantee Company, that made some $12,728.

Q. How left over? A. Out of the $100,000 they had spent all but about $3,728.

Q. Spent how? A. Spread it, spread $75,995, and they had used $20,000 to cover securities which existed as securities and not as cash, and the balance it left them $3,700; that with the $9,000 of cheques made $12,700 odd, and it is the exact difference between.

Q. What did they do with that? A. Later on when they repaid the borrowings of the Trusts & Guarantee Company, they charged up that $12,000 as against organization expenses, bringing it again into the account.

Q. You heard what Travers said? A. Yes.

Q. Is he mistaken about that? A. No, there is a charge of $12,000 made to the bank premises account, but if Mr. Travers is right that that $10,000 applies to this, then the $12,000 charged against the Guarantee Company took up some other expenditures by a similar amount. He is right that there was a charge of $10,000. You were asking me the other day about the prospectus. That is the only copy we have been able to find. It appears to be the one used in England. (This prospectus was subsequently filed as Exhibit 95). There is a statement in there (in Exhibit 63) showing the exact dealings with that $9,000 of cheques.

F. C. CLARKSON, Recalled:

MR. COMMISSIONER: What is that? A. That is an alphabetical list prepared from the Return Exhibit 5, stock subscriptions as represented in the documents furnished as a list of shareholders when application for the certificate of the Treasury Board was made, and payments thereon to the 27th of November, 1906.

Q. That shows in the first column the name of the subscriber? A. Yes, his address, the date of his application, the number of his shares, the amount, the date of the allotment and payments in cash to the 27th of November; the next column, payment by transfer of security, payment by note, and payment received on account of note to the 27th of November.

Q. That is another column? A. Yes. The next column shows the Trusts & Guarantee loan, how it was spread.

Q. How that was applied? A. Yes, and how it was applied towards shareholders. Next column is shares cancelled, giving the number of shares and the date of the cancellation. The next column is the Laidlaw accounts.

Q. That is the shareholders that brought suit and were represented by Mr. Laidlaw? A. Yes.

Q. Is that an accurate statement from the books? A. Yes, sir.

EXHIBIT 94: Alphabetical list prepared from the Return exhibit 5, stock subscriptions as represented in the documents furnished as a list of shareholders when application for certificate of the Treasury Board was made, and payments thereon to the 27th November, 1906.

Q. You have prepared a copy of the minute book of the provisional directors? A. Yes, sir.

Q. Is that it? A. Yes, sir.

Q. The original you will require for the purpose of the liquidation? A. Yes, sir.

This copy of minute book of provisional directors to be substituted for the original minute book, Exhibit 9.

Q. What is this? A. This is a copy of the minutes of the permanent board.

This copy of minute book permanent directors to be substituted for the original minute book, Exhibit 10.

Q. I understand you will require for the purpose of the liquidation, these two stock subscription books and the transfer books? A. Yes, sir.

Q. Is it practicable to get on with the liquidation without them? A. No, it is not.

Q. You will require the original records? A. Yes.

Q. If they are given out I suppose the liquidator will undertake to produce them at any time when they are required? A. We will undertake that.

MR. G. T. CLARKSON: Yes.

MR. COMMISSIONER: Then it can be noted that those books, after I have examined them as far as I require to do so, may be handed out to Mr. Clarkson upon that undertaking.

DR. JOHN FERGUSON, Recalled:

MR. COMMISSIONER: I see from the minutes of the provisional board that a prospectus was approved in order to be printed at a somewhat early date, do you remember that? A. Yes, there was a prospectus issued.

MR. TRAVERS: March 21st or 22nd, 1906, I think is the date.

MR. COMMISSIONER: There was one earlier than that.

MR. G. T. CLARKSON: In the very first report of the acting Secretary in the meeting of the 26th August, 1904, that "Mr. Lown and he would likewise report progress as to the prospectus".

MR. COMMISSIONER: At a meeting that was held before this minute book one of the conclusions arrived at was that it seemed desirable, (D) that Mr. Fraser and Mr. Lown be requested to prepare material for prospectus, "and to enquire the cost of printing form". I think further on the prospectus was approved. I see November 28th, 1904: "The Secretary submitted a draft prospectus, which with certain amendments was adopted, and on motion of A. S. Lown, seconded by Mr. James Gallagher, 1,500 copies were ordered to be printed". Where is that prospectus? A. I do not know; there were some of them printed, how many I could not say, and I suppose perhaps some distribution of those was made at the time by some of the agents under Mr. Smith.

Q. You cannot say where they are to be found? A. No, I have not a copy.

Q. I should think the keeper of the Archives would have one of them. Look at that, was it that prospectus? (In the Return Exhibit 5)? A. No, that was the one that was arranged after Mr. Travers came in.

Q. I would like to see that prospectus to see how far it compares with the later one, whether it reflected the modesty of those who were looking after the business at that time. Then in March 22nd, 1906, I think Mr. Travers told us? A. Yes, March, 1906.

Q. It is on the 21st March, 1906: "Moved by Dr. Ferguson; seconded by J. Watson: That the Prospectus as presented be approved of". Is that the prospectus (in the Return Exhibit 5)? A. I suppose that might be the one that Mr. Travers had; I think that is the one that Mr. Travers formulated.

Q. The one commencing on page 10 of Exhibit 5? A. Yes.

Q. Do you know anything of that one? A. No, I never saw that one to my knowledge.

ALEXANDER FRASER, Recalled:

MR. COMMISSIONER: Do you know anything about the prospectus that was approved on the 28th November, 1904? A. Yes, sir.

Q. Do you know where that prospectus is? A. No; they were given to Mr. Smith for distribution by his agents.

Q. You did not keep one? A. Well, I think there were some of them in the office of the bank all the time the provisional men were there; what became of

them I don't know, that is beyond those that were distributed. They were for Mr. Smith's use and for his agents in offering stock.

Q. Did you ever see that one (afterwards filed as Exhibit 95)? A. I have no doubt I have. I have no clear recollection of having seen it before it was printed.

Q. This is evidently one after the bank was organized and the Board had been elected? A. Oh, I do not recognize that; but there was one issued before the bank was organized.

Q. That is the one that appears in Exhibit 5 with the name of Mr. Forget? A. Yes; I have never seen that other one then.

Q. In the light of present events it is somewhat interesting reading: "Instead of incurring the heavy expenditure and investing large amounts in office premises, advertising, in cities and large towns, branches have been opened..... at minimum cost"—I do not suppose you know much about that; I should have thought the office premises account was a pretty extravagant account. The next proposition is—it is in italics—after speaking of avoiding the competition of older established banks, by opening these branches; "This is clearly demonstrated by the fact that in less than four months after commencing business and accrued profit has been shown equal to over 6% per annum on the average paid up capital during that time"—what do you think of that? A. Well, sir, I had no connection whatever with the bank after the permanent directors were appointed, I knew nothing of its affairs, absolutely nothing.

Q. Then it is stated that judging by this and the fact that this result had been obtained during the worst months for banking during the year, from every indication the bank should be earning 10% per annum on the paid up capital by the end of this year. In all probabilities when that prospectus was issued the bank had lost every dollar of its capital? A. Of course that is a matter we could not possibly know.

Q. I suppose you are not at all responsible; you were not an officer of the bank after the first meeting of the shareholders? A. No, sir.

Q. Can you tell me: When you and Dr. Ferguson put forward, one proposing and the other seconding, the resolution to give up the business of attempting to organize the bank, and to divide the expenses among you—do you remember that? A. Yes.

Q. That was lost? A. Yes.

Q. Two voting for? A. And three against.

Q. Who were the three who voted against? A. They were the other members; there were five on the Board.

Q. That would be Gallagher, Watson? A. And Lown.

Q. That was before Mr. Travers came upon the scene? A. Yes, sir.

Q. What were the reasons that led the majority to disapprove of what you proposed? A. They evidently were more hopeful in bringing the organization to a successful conclusion than we were. When we took up the matter, these were the three who were at the beginning of the organization and asked us to join them. We always considered that they were the leading three among the provisional men. When we took it up we thought there would not be very much difficulty in securing subscriptions; as our experience grew as to that difficulty, I distinctly remember that we made this proposition, while we believed that we personally could pay back from ourselves the moneys expended—

Q. Have you any idea what the amount expended was at that time? A. I cannot recollect just now, but I remember that in making a division of what each man's share would be of the five that we thought we could stand it.

Q. What was the measure of your strength? A. It was not very large.

Q. Would it be less than $5,000 that was spent then? A. Oh no.

Q. It would be more than that? A. Yes.

Q. You cannot give even approximately the figures at this time? A. Well, I cannot recollect. The motion was defeated, and we were pretty much convinced ourselves that the hope the others then had, and the ways they saw before them would succeed.

Q. When was it they turned you and Ferguson out of your positions of honor? A. We never took up the positions at any time with the intention of being more than helping our friends.

Q. Did it at all synchronize with the rejection of your motion? A. Oh no; we had abandoned the positions before then.

Q. Evidently you did not approve of what was done when Mr. Lown deposed, or when the Board deposed Dr. Ferguson and put Mr. Lown in his place, you voted nay? A. That was not our point of view. Our point of view was this, that when we took the matter up we did not expect it would be as onerous or as hard as it proved to be, and we had not the time to give to it. We desired relief as quickly as possible from the duties, and then Mr. Smith and Mr. Lown took them up.

Q. I do not know why, if that was so, you voted nay according to this? A. That is perhaps another question altogether; I understood you were still speaking of the abandonment.

Q. Oh no, no; I am talking about when they decided that Mr. Lown should be the Chairman? A. I remember that point also.

Q. What was the reason for that change that took place on the 13th of February, 1905, when Watson moved, seconded by Gallagher, that the motion appointing Dr. Ferguson Chairman of the provisional board, and so on, be and is hereby rescinded, and that Mr. A. S. Lown is hereby appointed Chairman of the provisional board, and so on. You voted nay; the Chairman, apparently being in the chair, did not vote? A. We had reached the stage then when a man having a practical knowledge of banking was necessary, because moneys were being received and had to be properly handled, moneys on subscriptions. We discussed two or three men, one of whom we thought might be suitable, and one had been practically decided upon to take over the work of organization after Smith. Then we were unanimous as to that man, but between meetings we heard that his habits were not such that we could trust him, and the others did not think that Dr. Ferguson and I were right in opposing him. It was a mere matter of detail and it brought about that.

Q. You are a little in error I think, judging from these minutes, because that motion that I just read to you having been carried, Mr. Lown took the chair; then Dr. Ferguson moved, seconded by you: "That whereas it is manifested that the promotion expenses will be heavy, it is deemed unwise for the provisional directors to accept any remuneration for their services other than their necessary travelling expenses and legitimate disbursements, and whereas the provisional directors of the Farmers Bank of Canada have received certain sums for attending upon meetings, be it resolved that the same at once be refunded". Another resolution, moved by Dr. Ferguson, seconded by Alexander Fraser, "That in view of the fact that the charter of the Farmers Bank will lapse at an early date and it is evident there are going to be grave difficulties in the way of disposing of the capital stock of the bank, be it resolved that all moneys paid in shares now placed be returned, and the expenses up to date be defrayed equally by the provisional directors". Does that look as if you were trying to get back at the majority for having deposed the Chairman? A. No, the real thing there, Dr. Ferguson and I had not confidence in the man that the majority thought was suitable to do the office work and relieved myself particularly of what I was up to then doing in my spare time; then when the majority differed from us in that, the Chairman had to be changed in that because he would come in practically daily contact with the new man.

Q. There is nothing to show any conflict? A. I do not suppose these things would be minuted.

DR. FERGUSON: If I may be allowed to give you my impression, I had expressed the opinion previously that perhaps the wise course to take, would be to desist from further efforts at organization. Some of the others did not coincide with that view, and that friendly division took place; there was nothing acrimonious at all occurred; it was in the best of feeling, and the arrangement was made by which Mr. Lown became Chairman, and then after that I wished formally to put myself on record with regard to the view that I had expressed previously to ceasing to be Chairman.

MR. COMMISSIONER: Why did Mr. Fraser dissent? A. Dissent signified the non-approval of the main reason why, that is regarding the man; the man was decided upon, and a gentleman called on me and told me he understood that this man was to be entrusted with the office work and to lead in the organization of the bank; and he told me his habits were not very good. I reported that to my colleagues and the three of them thought there was not much in that, they did not agree with me.

Q. But you see what a malicious man, looking at the order in which these resolutions appear, might say it was plain what the object was—I am glad you have given that explanation—that having deposed the Chairman the deposed gentleman moved and Mr. Fraser seconded that they should lose all their fees? A. As a matter of fact the getting of the man, they pinned their hope on that to pull them out of their trouble.

EXHIBIT 95: Prospectus of the General Development Company, offering (in England) capital stock of the Farmers Bank.

The Commission adjourned.

Certified correct MSS. pages 1 to 1879.

E. NIELD, C. S. R.,

Official Reporter.

EXHIBITS RE EVIDENCE

OF THE

ROYAL COMMISSION

OF

ENQUIRY IN THE MATTER

OF THE

FARMERS' BANK OF CANADA

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
PRINTED BY THE KING'S PRINTER TO HIS MOST EXCELLENT MAJESTY
1914

No. 153A—1913.

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EXHIBITS RE EVIDENCE

IN THE MATTER OF

FARMERS BANK OF CANADA

EXHIBIT 1.

Extracts from minutes of Banking and Commerce Committee re Farmers Bank:

BANKING AND COMMERCE COMMITTEE OF THE HOUSE OF COMMONS.

Extracts from Minutes of said Committee *re* Farmers Bank of Canada:

Committee Room,

Tuesday, 21st June, 1904.

Bill No. 131, to incorporate the Farmers Bank of Canada.
Preamble and sections 1, 2, 3, 4 and 5 read and adopted.
Ordered, to report the bill without amendment.

Committee Room,

Wednesday, 12th April, 1905.

Bill No. 124, respecting the Farmers Bank of Canada.
Preamble amended by inserting therein the name of the Company.
Sections 1, 2 and 3 read and adopted.
Ordered, to report the bill as amended

Committee Room,

Friday, 11th May, 1906.

Bill No. 127, respecting the Farmers Bank of Canada.
Preamble read and adopted, after Mr. Urquhart, of Toronto, had been heard thereon.
Section 1 amended by substituting "six months" for "one year", on line 5.
Section 2 read and adopted.
Ordered to report the bill as amended.

EXHIBIT 2.

Documents from Department file (Finance Department).

CANADIAN BANKERS' ASSOCIATION.

MONTREAL, Nov. 30th, 1906.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa.

Dear Sir:—

Farmers Bank of Canada.

In connection with the application of the Farmers Bank of Canada for the usual certificate from the Treasury Board, I have reason to believe that the money lodged, or to be lodged, at Ottawa as stock subscription, cannot be regarded as paid-up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan upon the promise of its payment when returned by your Department.

Permit me to request that, if only for the protection of the public, the Treasury Board will exercise its right to refuse to issue a certificate if it thinks best so io do, until a thorough investigation has been made into the circumstances stated herein.

Yours faithfully,

(Sd.) E. S. CLOUSTON,
President.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

FINANCE DEPARTMENT,

Ottawa, Canada.

December 3rd, 1906.

E. S. CLOUSTON, ESQ.,
President Canadian Bankers' Association,
Montreal, P.Q.

Dear Mr. Clouston:—

I beg to acknowledge the receipt of your letter of the 30th ultimo, respecting the Farmers Bank of Canada. I note what you state with regard to the money paid in under section 13 of the Bank Act.

In view of the published reports in the newspapers of some litigation in connection with the subscriptions to the capital of this Bank, the matter has had the careful attention of the Department, and sometime ago the General Manager of the Bank was communicated with to the effect that when applying for the certificate to commence business, in addition to the list of subscriptions to the extent of a half million required by the Bank Act, the statement should contain also the actual amount of cash paid up by each subscriber on his subscription. On the 29th ultimo application, in due form, was made by the Bank for the certificate permitting it to commence the business of banking. The application was accompanied by the usual documents and also by a list of the subscriptions of cash paid in by each subscriber. The list itself covers over 500 names and nothing therein appeared

calling for any particular comment. From the statutory declaration of the General Manager I quote the following paragraphs:—

"4. On the Twenty-third day of October, 1906, there had been actually "*bona fide* subscribed five thousand seven hundred and fifty-seven shares of the "Capital Stock of the Farmers Bank of Canada, and I have had personal know- "ledge of the applications and the subscriptions and each and all of the said sub- "scriptions is and are on the printed form of application—a copy of which is now "produced and marked Exhibit 'C' to this my declaration, and that the said sub- "scription appeared on the Stock books of the said Bank, and that a sum beyond "$250,000 thereof in cash has been actually paid in by the subscribers of the same.

"5. Now shown to me and marked Exhibit 'D' to this my declaration is a "list of the subscribers to the capital stock of the said Bank correctly setting forth "as to each subscription the name of the subscriber, his address, the number of "shares subscribed for by him, the amount of such shares and the amount paid "in thereon. Each of the said subscriptions is a *bona fide* subscription to the capi- "tal stock of the said Bank."

I previously had some conversation with Mr. Fielding, who was very busy in connection with the preparation of the Budget Speech, with regard to this application. But on Friday last, the day after the delivery of the Budget Speech, Mr. Travers, the General Manager, had an interview with him. In the course of this interview that gentleman gave a most positive assurance that "not a dollar" of the amount deposited had been borrowed. For the purpose of record, Mr. Fielding wrote Mr. Travers a letter, of which I enclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case *bona fide* cash payments. I enclose a copy of Mr. Travers' reply.

Under these circumstances there did not seem to be any warrant for the withholding of a certificate under section 14 of the Act, and, accordingly, a certificate was issued on the 30th ultimo.

Yours very truly,
(Sd.) T. C. BOVILLE,
Deputy Minister of Finance.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

MEMORANDUM RESPECTING THE FARMERS BANK OF CANADA.

The undersigned has received an application from the Farmers Bank of Canada for a certificate to commence the business of banking.

The papers are all in order and have been submitted to the Department of Justice, who have advised that the evidence contained therein is such that the Treasury Board may lawfully accept it and issue the necessary Certificate.

In connection with the papers it will be noticed that in the list of Shareholders the information covers the amount paid by each shareholder on his subscription. This information was supplied at the request of the undersigned as a test of the good faith of the subscribers. The number of subscribers exceeds 500 and the Stock is fairly well distributed amongst them.

The undersigned sees no objection to the granting of the Certificate required by the Bank Act.

(Sd.) T. C. BOVILLE,
Deputy Minister of Finance.

Finance Department,
Ottawa, November 30th, 1906.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

OTTAWA, 30th November, 1906.

Present—

HON. W. S. FIELDING,
Minister of Finance, Chairman;

RT. HON. SIR RICHARD CARTWRIGHT, G.C.M.G.,
Minister of Trade & Commerce;

HON. L. P. BRODEUR,
Minister of Marine & Fisheries.

TREASURY BOARD—

The Board had under consideration an application made by the Farmers Bank of Canada under the provisions of the Bank Act for the issue by the Treasury Board of a certificate permitting the said Bank to issue notes and commence the business of banking.

It having been shown to the satisfaction of the Board that all the requirements of section 15 of the said Act have been complied with the Board authorize the issue of the certificate applied for.

Adjourned.

(Sd.) W. S. FIELDING,
Chairman.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

T. 37983.B.

EXTRACT from the minutes of a meeting of the Honourable the Treasury Board, held at Ottawa, on the thirtieth day of November, 1906:

(Sd.) W. S. F.
(Sd.) R. J. C.
(Sd.) L. P. B.

Treasury Board—

The Board had under consideration an application made by the Farmers Bank of Canada under the provisions of the Bank Act for the issue by the Treasury Board of a certificate permitting the said Bank to issue notes and commence the business of Banking.

It having been shown to the satisfaction of the Board that all the requirements of section 15 of the said Act have been complied with the Board authorize the issue of the certificate applied for.

(Sd.) T. C. BOVILLE,
Secretary.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

This action is brought by the plaintiffs on their own behalf and on behalf of all other alleged shareholders of The Farmers Bank of Canada who may desire to be joined as plaintiffs. And the Plaintiffs' Claim is: (1) For the rescission of alleged contracts to take shares of the capital stock of The Farmers Bank of Canada; (2) For an accounting for the money and promissory notes received—or alleged to have been received—in the name and on behalf of the provisional directors of the Bank; (3) For an injunction; (4) For a Receiver.

And the following are particulars of the plaintiffs' claim:

1. The Farmers Bank of Canada was incorporated by Special Act of the Parliament of Canada passed on the 18th day of July, 1904.

2. The defendants, James Gallagher, John Watson, John Ferguson, Alexander Fraser, and Alexander Shepherd Lown, were appointed by the said Act to be the Provisional Directors of the Bank.

3. Amendments of the Act of Incorporation were passed on the 20th day of July, 1905, and on the 26th day of June, 1906.

4. The amendment passed on the 20th day of July, 1905, is alleged to have been passed on the petition of The Farmers Bank of Canada, and the amendment passed on the 26th day of June, 1906, is alleged to have been passed on the petition of the provisional directors of the Bank; and the petition is subscribed as follows:

"The Farmers Bank of Canada",

By—JOHN FERGUSON,
ALEXANDER FRASER,
JAMES GALLAGHER,
Provisional Directors.

5. A prospectus of the Bank was issued, and contains, amongst others, the following statements, namely, that the following gentlemen have consented to act as directors if elected—

His Honour A. E. Forget; Major Thomas Beattie; Lieutenant Colonel R. R. McLennan; John D. Ivey; Thomas Charlton; H. W. Anthes; W. S. Calvert; G. Plunkett Magann; D. P. McKinnon; Colonel James Munn; Honourable A. G. McKay; George W. Neely; Thomas Urquhart; D. N. McLeod; John Ferguson; Robert Noble—and the name of the defendant W. R. Travers is printed thereon "General Manager"; the name of the defendant C. H. Smith is printed thereon "The Secretary of the Provisional Board of Directors", and the name "The Traders Bank of Canada" is printed thereon as "Bankers".

6. Stock books were opened in pursuance of the prospectus for the purpose of entering subscriptions of persons who might be induced to subscribe for shares of the capital stock of the Bank.

7. The applications for subscriptions for shares and proxies appointing the Secretary of the Provisional Board, and forms for receiving subscriptions for shares, were printed and put in circulation.

8. Forms of bank notes in the name of The Farmers Bank of Canada were also either printed, lithographed or engraved for the purpose of inducing persons to subscribe for shares.

9. The printed prospectus, the applications for stock, the forms for subscriptions, and the said forms of bank notes in the name of The Farmers Bank of Canada, were delivered to agents and solicitors to procure subscriptions for shares.

10. The agents and solicitors produced and used the prospectus, the applications and the forms in their canvass for subscriptions for shares.

11. The plaintiffs and others subscribed for shares, and the plaintiffs allege (1) That the provisional directors who professed to act for and in the name of the Bank, had no lawful power or authority to receive subscriptions for shares or to accept them; and (2) That the subscriptions for shares which were procured

from the plaintiffs and others were procured through fraud and misrepresentation and the plaintiffs allege, amongst others, the following particulars of fraud namely:

(1) That the agent in procuring the subscriptions for shares falsely represented that persons had subscribed for a larger number of shares than they had in fact subscribed for, and the following are examples of such false representations, namely—(a) That Robert Noble, whose name is entered in the prospectus as one of those who had consented to be a director, had subscribed for shares to the amount of $10,000, whereas he had in fact only subscribed for shares to the amount of $3,000; (b) That John Sproat had subscribed for shares to the amount of $10,000, whereas he had in fact only intended to subscribe for shares to the amount of $1,000, and that he was induced to sign an application in the belief that it was filled up for $1,000, and that the General Manager afterwards claimed that it was a subscription for $10,000, that the said John Sproat then repudiated the entire subscription; (d) That James Murray has subscribed for shares to the amount of $10,000, whereas he had in fact only subscribed for shares to the amount of $1,000; (e) That Dr. Stewart was subscribing for shares to the amount of $10,000, whereas he was not in fact subscribing for any shares; and other false representations of a similar character were made by the solicitors and agents in reference to alleged subscriptions of other persons.

(2) That Major Thomas Beattie, represented by the prospectus to have consented to act as a director, had not subscribed for any shares, and refused to be a director, and refused to allow his name to be used in any way in connection with the Bank, and the plaintiffs allege that the names of other persons were represented by the prospectus to have consented to act as directors had not subscribed for any shares or given any authority for any such publication.

(3) That the first block of shares to the amount of $500,000 would be issued at par, and that the next block of shares would be issued at a premium of 25% and that the first block of shares subscribed for at par would therefore soon have a market value of 25% over the amount subscribed for.

(4) That the solicitors and agents who were procuring subscriptions for shares would buy the shares from the subscribers at the alleged premium of 25%.

(5) That the bank notes, of which a specimen was produced, would soon be in circulation, and that the profits to the subscribers would be very large.

(6) And the said prospectus contains other false and fraudulent inducements and representations.

12. And the plaintiffs allege that the acts and proceedings of the provisional directors were illegal and irregular, and that the provisional directors appointed by the Act of Incorporation did not continue to act as directors, and did not receive notices of meetings, and did not attend meetings, and did not consent to the renewal of the charter or to the acts and proceedings of other provisional directors, or other persons who were acting or professing to act for provisional directors, and that there was trading in the charter and proceedings in pursuance thereof.

13. And the plaintiffs further allege that the agents and solicitors who were procuring subscriptions for shares had no lawful power or authority to solicit applications or subscriptions, and there was no lawful authority for the acceptance of any such subscriptions.

14. And the plaintiffs allege that the agents and solicitors professing to act under the name and authority of the provisional directors have procured a large number of subscriptions for shares, and have received the sum of One hundred and Seventy-five thousand dollars more or less on account thereof, and have also pro-

cured promissory notes to be signed by persons who were subscribing for shares, payable to the provisional directors of the Bank, and the persons acting in the name and under the professed authority of the Act of Incorporation and amendments thereto, are endeavouring to discount or procure a loan by the transfer of the said notes.

15. And the plaintiffs further allege that the persons professing to act as aforesaid under the alleged authority of the provisional directors, have unlawfully deducted large sums of money for alleged services and commissions, and other purposes, out of the money received by them, and the plaintiffs are apprehensive that the money and notes under the control of such persons may be illegally appropriated unless the said persons are restrained by order and injunction of this Honourable Court from drawing upon or using the same without the order of the Court.

16. A very large proportion of the subscriptions for shares, and of the money, and of the promissory notes, have been procured from farmers through the said fraud and misrepresentation in part alleged as aforesaid; and they were not at the time the subscriptions were procured from them, and are not now, able to pay the sums subscribed for, and the solicitors and agents represented to them that they would not be called upon to pay the money, and that the Bank would carry the obligations until they were able to sell their shares at a profit.

17. The plaintiffs deny that any legal liability can be established against a large number of such subscribers, and if such subscribers are in law liable to pay the sums subscribed for the enforcement thereof by legal process would bring great loss and damage to a large number of farmers who can meet their own obligations but cannot pay for subscriptions for shares of a Bank.

18. The Plaintiffs demand the production by the provisional Directors of the Bank, and each of them, and by the Secretary of the Provisional Board, and by the General Manager, and by all other persons who may have possession or control thereof—(1) Of all documents alleged to be signed by subscribers for shares; (2) Of the minutes of the meetings of the Provisional Directors; (3) Of the alleged subscribers' agreements, or alleged subscriptions for shares; (4) Of the Cash Books, Ledgers, Bank Books, Cheque Books, Letter Books, and all other books, documents and papers showing the alleged subscriptions for shares—the payments on account thereof—the application of the money received—the promissory notes and other obligations received; and all acts or proceedings of the Provisional Board of Directors, or any of the members thereof, or of the Secretary, or of the General Manager, and all other persons whomsoever professing to act in the name and on behalf of the Bank or of the Provisional Board of Directors, or any of them, or of the subscribers for shares, or any of them.

19. The plaintiffs hereby formally withdraw all applications for shares which may be signed by them, and they have added the principal persons who were concerned in the alleged irregularity, fraud and misrepresentation, as defendants in this action.

20. The plaintiffs allege that all moneys, promissory notes and other obligations received as aforesaid by all persons acting, or professing to act, in the name and on behalf of The Farmers Bank of Canada, or of the Provisional Directors, or any of them, are impressed with a trust in favour of all the subscribers for shares who may desire to come in and become parties to this action, and the plaintiffs allege that there is no lawful power or authority for the appropriation of any part of the said moneys for any other purpose than the regular procuring of the Act of Incorporation and amendments thereto, and the regular opening of the stock books and giving public notice thereof, and usual clerical work incidental to the incorporation and organization of the Bank under the provisions of the Bank Act; and the plaintiffs claim that the money now on hand, which is believed to be deposited in the Traders Bank of Canada, and the promissory notes or other

obligations, should be protected and preserved as trust money and trust notes and obligations under the order, direction and injunction of this Honourable Court; and that all persons who may have received any payments out of the said moneys, except as aforesaid, shall be ordered to repay the same.

21. The defendants, James Gallagher, John Watson, John Ferguson, Alexander Fraser and Alexander S. Lown, are named as Provisional Directors in the Act of Incorporation; the defendant W. R. Travers is named as General Manager in the prospectus and the defendants W. J. Lindsay and Luxton were canvassing solicitors and agents for subscriptions for shares.

AND THE PLAINTIFFS THEREFORE CLAIM AND PRAY FOR:

1.—An account and enquiry into all the matters hereinbefore alleged.
2.—An account and enquiry into all acts and proceedings of all the members of the Provisional Board of Directors, and each of them.
3.—The rescission of all alleged contracts to take shares which have been entered into without lawful authority.
4.—An account of all moneys received and the application thereof.
5.—The rescission of all obligations or subscriptions for shares which have been procured by fraud or misrepresentation.
6.—A declaration of the rights of the plaintiffs and of the obligations of the defendants, and consequential relief.
7.—An injunction to restrain the Bank, the Provisional Directors, the General Manager, the Secretary, and all officers, servants and agents acting for or in the name of the Bank, or of the Provisional Directors, from using, drawing upon, paying or transferring, any of the said money and notes, and from entering into any further dealings and transactions in respect thereof until further order of the Court.
8.—The appointment of a Receiver to take possession of all the alleged property of the Bank, and to hold the same under the order and direction of this Honourable Court.
9.—The amendments of this action by adding all parties who may desire to come in as plaintiffs, and the adding of all necessary defendants as occasion may arise.
10.—All such further and other relief as to this Honourable Court may seem meet, or as the nature or circumstances of the enquiry may require.
11.—The costs of this action.

The Plaintiffs propose that this action shall be tried at the Town of Milton.

Amendment to be added to the Special Endorsement.

The prospectus states that the money received from deposits is loaned at a high rate of interest, that the authorized capital of the Bank is $1,000,000; that if this were fully paid up the Bank could issue $1,000,000 in bills, thus earning for its stockholders dividends on $2,000,000, giving the Bank double earning power on its capital.

The prospectus makes no reference whatever to the provisions of the Bank Act, namely (1) That a Bank cannot issue any notes less than $5.00; (2) The percentage to be held by the Minister of Finance against circulation; (3) The necessity of the Bank establishing agencies everywhere in Canada to redeem its circulation; (4) The obligation of the Bank to hold not less than 40% of its cash reserves in Dominion notes; (5) The obligation to pay for the Dominion notes in

specie; (6) The obligation to make payments up to given amounts in Dominion notes when requested; (7) The necessity for the maintenance of a reserve to meet deposits when demanded and to redeem circulation, etc.

Certified to be a true copy,
T. C. BOVILLE,
D. F.

EXHIBIT 3.

Sample note to the provisional directors Farmers Bank:

$4,500.00. Due June 30, 07.

Toronto, June 27th, 1906.

Twelve months after date I promise to pay to the order of the Provisional Directors of

THE FARMERS' BANK OF CANADA

.....Forty-five hundred..... Dollars at the office of the Farmers' Bank of Canada, Toronto, for value received.

No. 46..... .....FARMER LIMEHOUSE.

Endorsed.—Pay to the order of W. R. Travers, John Ferguson, Alex. Fraser, Jas. Gallagher, A. L. Lown, John Watson, without recourse per W. R. Travers' attorney,

W. R. TRAVERS.

EXHIBIT 4.

Three Orders-in-Council dated respectively—

July 13th, 1896,
July 10th, 1905,
July 20th, 1906.

P.C.2713.

Certified copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 13th July, 1896.

PRIVY COUNCIL
CANADA.

The Committee on the recommendation of the Honourable Wilfrid Laurier, the Prime Minister, advise that the Honourable Sir Richard Cartwright, the Honourables L. H. Davies, J. Israel Tarte, F. W. Borden, and R. W. Scott, members of the Queen's Privy Council for Canada, do, with the Minister of Finance and Receiver General, constitute the "Treasury Board", in terms of Chapter 28 of the Revised Statutes, as amended by Chapter 13 of the Acts of 50-51 Victoria (1887).

The Committee on the same recommendation further advise that the presence of three members of the said Board do constitute a quorum thereof.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

P.C.1298.

Certified Copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 10th July, 1905:

PRIVY COUNCIL
CANADA.

The Committee on the recommendation of the Right Honourable Sir Wilfrid Laurier, the President of the Privy Council, advise that the Right Honourable Sir Richard Cartwright, G.C.M.G., the Honourable Mr. Prefontaine, the Honourable Mr. Paterson, the Honourable Mr. Brodeur, members of the King's Privy Council for Canada, do, with the Minister of Finance and Receiver General as Chairman, constitute the Treasury Board, in terms of Chapter 28 of the Revised Statutes as amended by Chapter 13 of the Acts of 50-51 Victoria (1887).

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

P.C.1545.

Certified copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 20th July, 1906:

PRIVY COUNCIL
CANADA.

The Committee of the Privy Council on the recommendation of the Right Honourable Sir Wilfrid Laurier, and in virtue of the provisions of Chapter 28 of the Revised Statutes, as amended by the Act 50-51 Vic., Chapter 13, advise that the Honourable Sydney Fisher, Minister of Agriculture, be appointed a member of The Treasury Board.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

EXHIBIT 5.

Return to House of Commons, being *Sessional Papers* No. 110 B and C.

RETURN

(110b)

To an Order of the House of Commons, dated the 23rd January, 1911, for a copy of the full report and finding of the Curator of the Farmers' Bank, up to the time of his appointment as liquidator of the same by the shareholders for the requisition of which authority is given to the Minister of Finance by Section 122 of the Bank Act.

CHAS. MURPHY,
Secretary of State.

TORONTO, January 7, 1911.

IN THE MATTER OF THE FARMERS' BANK OF CANADA

INTERIM STATEMENT OF AFFAIRS

As of December 19th, 1910.

LIABILITIES.

Direct. Suspended Payment December 19, 1910

Amounts owing to depositors and holders of drafts at

Allenford branch	$ 25,753 18
Arkona branch	43,023 82
Athens branch	19,626 70
Belleville branch	35,995 53
Bethany branch	55,342 24
Burgessville branch	41,773 48
Camden East branch	72,309 17
Cheltenham branch	36,600 69
Dashwood branch	113,021 81
Dunsford branch	34,562 25
Embro branch	74,626 36
Fingal branch	33,589 87
Haileybury branch	25,473 98
Kerwood branch	67,903 17
Kinmount branch	33,902 38
Lakeside branch	32,222 60
Lindsay branch	38,176 17
Millbank branch	66,630 61
Milton branch	30,452 25
Norval branch	39,129 76
Phillipsville branch	37,682 73
Pontypool branch	47,992 41
Sharbot Lake branch	52,797 77
Stouffville branch	24,733 88
Williamstown branch	25,930 18
Zephyr branch	55,749 88
Toronto branch	87,772 04
Accrued interest to December 19, 1910	19,000 00
Reserve for sundry claims	10,000 00
Total	$1,281,774 91

Preferred claims—		
Farmers' Bank notes in circulation as per head office books and branch returns	$538,365 00	
Branch salary and charge accounts	3,558 05	
Rentals due at branches together with claims for penalties under terms of leases	1,530 86	
Ontario Government deposit	26,533 16	
Total		$569,987 07
Secured claims—unsettled—		
Trusts and Guarantee Company, Limited, Toronto, advances on demand notes	$211,838 26	
Secured by hypothecations of customers' paper	293,526 31	
Surplus carried to assets		$ 81,688 05
Other securities held and included under assets in this statement:—		
Bonds of Keeley Mines, Limited $1,000,000 00		
Other industrial bonds 75,000 00		
Capital stock—		
Capital stock subscribed as per list		$584,500 00
ASSETS.		
Dominion of Canada notes	$ 10,048 50	
Specie	7,271 95	
Notes and cheques of and on other banks	55,144 22	
Balances due from other banks in Canada	10,738 10	
Balances due from agents in United Kingdom	6,189 26	
Balances due from other foreign agents	5,030 89	
Cash items on hand and in transit	46,286 31	
		$ 140,709 23
Deposit with Dominion Government to secure note circulation		20,250 00
Stocks and bonds	113,895 00	
Surplus in customers' papers held by Trust and Guarantee Co.	$ 81,688 05	
Current loans, discounts and past due bills held at head office and branches $684,130 04		
Interim valuation	241,434 84	
		323,122 89
Claims for withdrawals after suspension		47,000 00
Bank premises, fixtures and furniture (book value)		178,604 90
Stationery on hand estimated value		2,500 00
Due upon capital stock		16,921 00
Other assets as per list		1,146 57
Keeley Mines, Limited:—		
Current loans and overdrafts	$321,100 46	
Call loans	300,000 00	
($1,000,000.00 bonds held as Security therefor)	$621,100 46	
Stocks and bond account	535,000 00	
		$1,156,100 46
Total		$2,000,250 05

SUMMARY.

Assets—		
As above		$2,000,250 05
Liabilities—		
Depositors and holders of bank drafts	$1,281,774 91	
Preferred claims	569,987 07	
Secured claims no ranking		
Capital stock	584,500 00	
		2,436,261 98
Nominal deficiency		$ 436,011 93

G. T. CLARKSON.

C. R. C. CLARKSON & SONS,
Curator and Interim Liquidator,
Toronto, Ontario.

IN THE HIGH COURT OF JUSTICE.

In the matter of the Farmers' Bank of Canada and in the matter of the Winding-Up Act.

Pursuant to the order of Mr. Justice Riddell made in this matter on the 24th day of December, 1910, a meeting of the creditors of the Farmers' Bank of Canada will be held at the Board Room of the said bank in the Stair Building, corner of Adelaide and Bay streets, Toronto, on Tuesday, the 17th day of January, 1911, at 11 o'clock in the forenoon, and on the same day at the same place, at 2.30 o'clock in the afternoon, a meeting of the shareholders will be held, the purpose of such meetings being that the wishes of the creditors and shareholders respectively may be ascertained as to the appointment of liquidators under the Winding-Up Act.

By the same order the further consideration of the petitions presented herein was adjourned until Monday, the 23rd day of January, 1911, at 10 o'clock in the forenoon and the said petitions will then be heard by the Hon. Mr. Justice Riddell in Chambers at Osgoode Hall in the city of Toronto, and notice of such hearing is pursuant to the said order hereby given to all parties entitled to be heard.

Dated this 24th day of December, 1910.

F. ARNOLDI,
Clerk in Chambers.

BICKNELL, BAIN, STRATHY & MACKELCAN,
Lumsden Building, Toronto, Ont.
Solicitors for Petitioner.

THE FARMERS' BANK OF CANADA.

MEMORANDUM *of Report to Meetings of Shareholders and Creditors, held on the 17th day of January, 1911.*

The notice calling the meeting, which notice was issued by the High Court of Justice, was read, and, upon motion, Mr. Tyson was appointed secretary, Mr. G. T. Clarkson being chairman by virtue of the order of the Honourable Mr. Justice Riddell.

The chairman read the interim statement of affairs as attached, and, in connection therewith, said:—

The liabilities first shown upon the statement of affairs are those due to depositors in, and holders of drafts issued by, the various branches of the bank. As you will see, the total amount of deposits and drafts is $1,281,774.00, which includes interest up to the 19th December on interest bearing accounts; of this $1,281,774.00, the amount of the savings was $992,490.00, and current accounts $289,284.00. The amount of deposits allocated to Toronto branch includes a deposit of J. S. Saunders, of this city, who withdrew $45,000.00 of it from the bank on the date of suspension. Acting on the advice of counsel suit was commenced against Saunders for the return of this money, and it now rests with the courts to determine whether he is entitled to hold it or not. The money was paid to him in Farmers' Bank bills, which are now in the hands of a bank of this city, pending determination by the court. Included in the Haileybury returns is a claim for $2,000.00, withdrawn under similar circumstances by one Robins, and against him action has also been taken. Further action will be taken in regard to another amount of $600.00 withdrawn on the same date, and question has arisen with regard to certain withdrawals at one of the branches. These matters will all require to be carefully looked into.

There are a number of questions to be considered in respect to deposits and claims on drafts. In instances where deposits were made on the day of the suspension, and a few days prior thereto, cheques and drafts, and which were in transmission for collection at the time of the suspension, have been stopped payment of. I have been advised that the bank is entitled to collect on these cheques, but as there is contention on the point, a writ has been issued in one instance where $6,400.00 is involved, so that the question may be determined by the court. If the court holds that the bank is not entitled to the moneys, the cheques will have to be returned to the maker, and, on the other hand, if judgment is given in favour of the bank, the amount of these cheques will have to be paid by the depositors and makers.

In instances where deposits were made on the date of suspension, questions have arisen as to whether the same were made before or after the suspension, and, as the exact hour of the suspension is somewhat in doubt, the court will have to determine the question; all depositors who made deposits on the 19th instant are, therefore, requested to give full particulars of the same to the bank, so that their claims may be looked into when the question has been decided.

Depositors whose deposits bore interest are entitled to have the interest added to their accounts up to the 19th December. In order to facilitate the filing of claims, a statement will be sent out from the bank naming the amounts at the credit of each depositor, inclusive of interest, so as to obviate the expense and trouble to which depositors would be put if required to file sworn claims. Of necessity, this will take a little time to do.

Questions are arising as to the rights of depositors to offset the amounts of their deposits against overdrafts and notes held by the bank, and this matter will be brought before the court in the winding-up proceedings at the earliest possible moment. In the meantime, any depositor having a note or overdraft due to the bank is advised to pay the difference between the amount to his credit and the amount of such note or overdraft, so as to facilitate the collection of assets. The payment of the balance can rest until the question of the right to offset has been determined.

Payments due on capital stock are in the same position, but depositors are not legally entitled to offset the amounts which may become due by them on double liability against their deposits and overdrafts.

With reference to the claims of those who held drafts issued by the bank, would say that the bank held a note on collection for any person or firm, and such collection was held by the bank, in trust, and not for value given, the owner of the bill

may be entitled to recover the amount collected by the bank if the payment received by the bank was on hand at the time of suspension in its original form, so as to distinguish it from the other assets of the bank. Where, however, drafts were purchased from the bank for the purpose of remitting money the holders of such drafts are merely ordinary creditors against the estate.

I draw your attention to the last item on the first page, 'Reserve to cover sundry claims,' such amount has been added to the liability of the bank to cover contingent liabilities such as law costs, advertising, supplies purchased, etc., and claims have already been filed to an extent which would seem to indicate that the reserve will be laregly, if not wholly, used up.

Preferred claims.—With respect to preferred claims, would say that according to section 131 of the Bank Act, the notes issued by the bank constitute a first charge upon its assets; according to the books of the bank the bank has obtained from the Bank Note Printing Co. $825,000 bank notes, and the amount of the same on hand at the time of suspension was $286,635, leaving outstanding $538,365, and this amount, together with interest from 19th December, is a first lien upon the assets.

The second lien upon the assets is the amount of the deposit with the Ontario Government $26,533.16, and it is a lien by virtue of clause C, section 131, of the Bank Act, which makes it a preferred claim.

No particular comment need be made on the item for branch salaries and charge account, as it states the amounts owing to the officers of the Bank at the time of suspension.

The preferred claims will all have to be paid in full before any dividend can be paid to other creditors.

Secured claims.—The secured claims consist of a claim of the Trust and Guarantee Company secured by hypothecations of Keeley Mine bonds, other industrial bonds and customers' paper. The Trust and Guarantee Company appeared to have advanced to the Bank in February, 1910, the sum of $75,000, at which time it took as security $120,000 stock in the American Piano Company, which stock was subsequently sold for $85,000. The stock had been hypothecated to the Bank as collateral to a call loan and under the terms of agreement the Bank may be able to claim on the maker of the call loan for the deficiency. Whether it will recover anything or not is another question. On July 30, 1910, the Trusts and Guarantee Company appear to have loaned to the Bank another amount of $100,000, at which time it is said that the Bank hypothecated to the Trust Company Keeley Mine bonds amounting to $1,000,000, which had been left with the Bank by the Mining Company as security for the debt due by the Mining Company to the Bank. These two advances were used by the Bank in meeting obligations and it is also said principally in meeting its clearing house balances.

The Trust and Guarantee Company was also depositing in the Bank to an extent and in a re-adjustment of the accounts between the Bank and the Trust Company had obtained a deposit receipt for $120,000. It claims to be entitled to hold the securities which it obtained on the other two advances as security also in connection with the deposit receipt under the terms of agreement with it. Nevertheless, it began to press the Bank for further security with the result that on November 3 last a transaction was put through by which the Trusts and Guarantee Company purported to advance to the Bank $295,000, for which it claims it was given as security $300,000 of customers' paper, $1,000,000 Keeley Mine bonds and $75,000 industrial bonds. Out of this advance of $295,000, it then purported to pay its two loans of $75,000 and $100,000, also its deposit receipt of $120,000. Inasmuch as the transaction involves a large amount of money and had the practical effect of preferring those creditors who received payment as the results of the advances being made, the validity of the transaction with the Trust Company has not been admitted, but steps are being taken to insure that the rights of the creditors of the Bank are protected until such time as the transaction can be more effectually gone into. The transaction will be gone into in the course of the liquidation proceedings.

Capital stock.—The subscribed capital stock of the Bank appears according to its books to be $584,000 and upon it $16,921 would appear to be unpaid at this date. I am of the opinion that examination will show further stock unpaid.

When discussing the matter of capital stock I think it right to inform you as to what I have learned regarding the incorporation and formation of the Bank, including the obtaining of its certificate from the Treasury Board. According to the Bank Act it is necessary for any bank seeking incorporation to have the sum of $500,000 capital stock subscribed in a bona fide manner and, at least, $250,000 cash paid upon such bona fide subscription. The charter of this bank had been obtained about two years before it held its organization meeting and there was danger of it expiring. The organization meeting was called for the 26th November, 1906, and it is said that shortly before the meeting some of those persons who were to have been actively identified with the Bank, withdrew, and their withdrawal made the subscription list deficient. To overcome this, it is said that certain subscriptions were added to the list particularly one of $50,000, and antedated, so as to make the subscription list regular, and permit the obtaining of the certificate to do business. At the time of the organization meeting on November 26, 1906, the stock subscription book of the Bank shows that it had subscriptions for $579,000 worth of stock, including the subscriptions previously spoken of. Of these subscriptions it is said that between $50,000 and $75,000 were worthless and uncollectable, being subsequently cancelled, and, in addition, there was a further amount of stock cancelled, and it would appear that of the $579,000 stock, between $125,000 and $150,000 was in all cancelled after the certificate had been obtained.

In addition to having the subscriptions to the amount mentioned, it was necessary for the bank to have received in payment thereupon the sum of $250,000. The subscription books show that the provisional board had $291,310, and amounts are allocated as payments on each subscription sufficient to produce the total. It is conceded that in very many cases such payments had not been made by subscribers, and that what really happened would seem to be as follows: The directors had collected about $211,000 from subscribers in cash, but out of it they had paid $41,000 for expenses, leaving in their hands $170,000. They then turned over subscribers' notes to W. R. Travers, who was in control of the provisional board, and he in his own name borrowed on these notes $80,000, which amount, with the $170,000 mentioned, made up the $250,000 necessary for the government deposit. The money was then transferred to the Receiver General, and when he returned $245,000 to the bank, the amount was deposited with the Traders' Bank, and out of it $80,000 was checked out to the Trust and Guarantee Company, who held it apparently on deposit for the benefit of the bank. Checks were issued out of this amount to the Trust and Guarantee Company for the full amount in three payments, and they released the subscribers' notes left with them by Travers. The bank, therefore, was left with but $170,000 of actual paid up capital and the subscribers' notes; it is apparent, therefore, that the certificate was obtained by an evasion of the Bank Act, if nothing worse.

In as much as the stock of the bank was at that time sold at par, it will be apparent that when the bank commenced business its liabilities were greater than its assets by the $41,000 paid out for organization expenses. To cover this up, certain entries were put through the books and a note given by the general manager, which note was afterwards charged up to the Keeley Mines Stocks and Bonds Account. Under these conditions it is apparent that the returns to the government were misleading from the start.

It is apparent that several transactions have taken place in connection with the capital stock of the bank, which will need to be very closely examined into. At one time the subscribed capital of the bank was returned as $1,000,000, being afterwards reduced to the figures it now rests at. It would appear that the increase was due to a certain transaction which was entered into with a concern known as the Continental Security Company of Winnipeg, which company it is said had

no responsibility under the terms of which it subscribed for $510,000 of stock of the bank, and was allowed an overdraft to the amount of $538,000 by the bank in order to permit it to pay for the stock; the securities company were also allowed a further overdraft to the extent of $150,000, and out of the same it paid certain notes held by the bank for stock subscribed for by other people, took up notes given to the bank in order to hide expenditure on organization account and covered a large amount transferred to the credit of the general manager for his personal account; this latter forms part of the claim against him for theft.

The total amount of the overdraft allowed in the Toronto office books was $687,000, including a large amount for interest which the bank took the benefit of as a profit when it in reality was not earned or paid.

When it became apparent that the Continental Securities Company could not carry the transaction through, some $50,000 or $60,000 of the stock subscribed for by it was sold to other parties and paid for; the balance was cancelled and written off the books, and a large amount charged up to the Keeley Mine Stocks and Bonds Account in order to clear up the transaction; the stock was in this manner reduced. I regard the whole transaction as most irregular and improper, and there certainly will be a liability to the bank on the part of various persons in connection therewith; how much the bank will benefit out of the same is a question—I am afraid it cannot look for any substantial recovery; the whole matter, however, is one that will have to be gone into to the fullest detail in the proceedings before the court.

ASSETS.

The first five items of the Assets constitute what are called Cash Assets, and represent either cash or liquid securities. These assets should be expected to yield par value, but in some instances Creditors of the Bank who hold drafts and notes for collection claim to be entitled to retain the same in satisfaction of their claims, which are included in the liabilities. In instances, also, payment has been refused upon cheques in the hands of the bank, and suit has been undertaken against some of the makers for the purpose of determining whether they have any right to do so.

The deposit with the Dominion Government will be held by it to secure the note circulation, and when the notes have been paid, returned to the bank for the benefit of creditors generally.

The stocks and bonds consist of industrial bonds which were believed to be worth the amount stated at the time the statement was made. The undertakings they cover, however, are subject to vicissitudes of business, and it is possible that the bank may not be able to realize its entire investment therein, but it is hoped that it will do so to a very large extent.

The surplus in customers' paper held by the Trusts and Guarantee Company is the amount which is expected will be realized from the same. Since the statement was prepared, it has been apparent that on some of this paper there will be a loss, and therefore, the item will probably not be realized in full.

The current loans, discounts and past due bills held at the Toronto office, and branches, amount to $684,130.04, and I have valued the same, to the best of my ability, with the information which the bank's officers are able to give me, at $241,-434. The discounts include a number of accounts upon which it is certain that the bank will make heavy losses, and I hardly hope to procure more than the amount of the valuation from the same. It is not in order to discuss the details of these loanss as it would be prejudicial to the interests of the creditors to do so, but I think I am doing no wrong in saying to you that there is one instance in which the bank will loose $100,000 on a single account.

Claims for withdrawals after suspension are those in connection with suits which have been brought for the return of money taken out of the bank on the day of suspension. As matters are now before the court I am not in a position to say more to you than that the bank claims to be entitled to a refund of these funds,

for the general benefit of the creditors, on the ground that the withdrawers received unjust preference.

Bank Premises.—The cost of the bank premises has been put into the statement at the amount charged in the books, but this amount is undoubtedly in excess of the cash expenditure of the bank in that behalf, and I do not look to the estate recovering more than between $60,000 and $70,000 for the whole of the item. There have been irregularities in connection with this account, and items of very considerable amount have been charged to it in order to cover expenditures in other directions. The whole of the transactions in connection with this item call for the closest scrutiny, and it is one of the matters which will have to be gone into carefully in the examination which will be held before the court.

Stationery on Hand.—This item appears in the books of the bank as $30,000, nothing having been written off it since the date of its purchase, although it was constantly being used, and the supply thereby diminished. I have therefore placed it at $2,500, which is merely a rough estimate. The amount due upon capital stock, $16,921 represents the amount due upon subscription.

The other assets consist of claims under guarantee bond and deposit for $500.

Re Keeley Mine.—Discussing the item of the Keeley Mine account, I think it right to inform you rather at length as to the history of this company and its connection with the bank, so far as I am able. It would appear that Beattie Nesbitt, on the 18th April, 1908, obtained an option on the property at the price of $300,000, payable $50,000 on the 18th May, and the balance in instalments spread over a period of time. On the 18th May, Nesbitt entered into an agreement under the terms of which Wishart, Travers, and the Farmers' Bank were to participate in all benefits received by him from the option, and on the same day, he executed an additional agreement to the effect that he was not to deal with the option without the consent of the Farmers' Bank of Canada. In May, 1906, the Keeley Jowsey Wood Mine Limited was formed, and, at a meeting of the Provincial Directors held in May, a resolution was passed by the Board to purchase the option mentioned from Dr. Beattie Nesbitt, and to issue to him $999,975 stock, out of a total of $1,000,000 in payment therefor, and on the same day, George Wishart was elected President. Dr. Beattie Nesbitt, Vice-President, the third Director being W. R. Travers.

On the 20th May, the bank made an advance to George Wishart of $25,397, and also to the Keeley Jowsey Wood Mine of $25,000, apparently to take care of a payment to be made under the terms of the option agreement. From this time forward, the bank continued to advance to the mine, and, so far as I can ascertain, no other money, except the bank's money, ever went into the mine.

According to the by-laws of the bank, the Managing Director was prohibited from lending more than $10,000 to any person, firm or corporation, without specific authority of the Board. In June, 1908, a credit of some amount of four figures was given to the Keeley Jowsey Wood Mine Limited, and approved of by the Board of Directors; subsequently, the minute authorizing this advance, was changed, so that, in its changed form, it permitted the General Manager of the bank to advance to the mine in his discretion. It is claimed that the change in this minute constitutes a forgery, and a claim has been laid against the late manager of the bank in connection therewith.

The bank continued to advance to the mine in large amounts until December 4, 1908, when, at a meeting of the shareholders, at which were present Wishart, Nesbitt and Travers, authority was given to sell the assets of the Keeley Jowsey Wood Mine Limited to the Keeley Mine Limited, on condition that the stock in the latter company be issued one-fifth to Travers, one-fifth to Wishart, one-fifth to Beattie Nesbitt, one-fifth to the Farmers' Bank of Canada and the remainder to remain in the treasury.

On June 10, 1905, the shareholders of the Keeley Jowsey Wood Limited confirmed this, and appointed the Chief Accountant of the Bank, liquidator of the company.

The Keeley Mine then took over the property and W. R. Travers as secretary thereof obtained moneys from the bank until the obligation of the mining company for cash advanced now appears to amount to $621,000. Included therein are two items amounting to $35,000, the proceeds of which did not go to the benefit of the mining company, but to Travers personally. Transactions connected with the procuring of this money are now under consideration by the Crown authorities.

The accounts of the mining company would seem to indicate that, with the exception of the $35,000 above mentioned, and three hundred thousand dollars paid for the property, the advances made by the bank to it was expended on the property. Considering, however, the large amount of money advanced by the bank to the mining company, creditors and shareholders will not be content to accept the auditor's statements, but it will be necessary to investigate expenditures of the mining company in order to ascertain whether any diversion of money for other purposes was made.

In considering advances made by the bank to the mining company by way of loans, you will notice from what I have said that there was a distinct by-law of the bank prohibiting the general manager of the bank from making advances to any persons, firm or corporation over $10,000 without the approval of the board at a regular meeting. Advances were made by the general manager to the extent of $50,000 in this connection before the matter was drawn to the attention of the board, when a credit for some minor amount was obtained, and the minutes afterward falsified, so as to permit him to do what he saw fit. The original company having liquidated there is no authority upon the books of the bank permitting any advance to be made to the Keeley Mine Limited, neither is there any record whatsoever of the transaction having come before the board, excepting in one instance, where the bank is compelled to take over the Beattie Nesbitt stock in the hope of saving the advances made upon his credit. The board of directors deny absolutely, and completely, any knowledge whatsoever of the fact that the bank was advancing to the mine, and if they are able to convince the court that, individually, or severally, they had no such knowledge, it will then be apparent that the general manager carried these transactions through upon his own responsibility.

The propriety of the whole transaction is open to question, particularly when, as you will observe, the bank was expected to, and did put up the whole of the money for the purchase and operation of the mining company, when, at the most, it was to receive one-fourth of the profits, which might have been made from the undertaking, and stand the whole of the loss. There can be no doubt that the general manager of the bank was in a position of trust and it was his abuse of his position which allowed this condition of affairs to obtain.

We now come to the last item on the statement, Keeley Mines stocks and bonds account, $535,000. It is in regard to this item in particular that action was taken against the general manager of the bank on the ground that he rendered false returns to the government; but $75,000 of that amount represents actual cash expenditures by the bank in purchase of stock of the Keeley mine, and this $75,000 represents $60,000 credited to Beattie Nesbitt in liquidation of debts which he owed to the bank in consideration of his passing over to the bank $250,000 Keeley Mine stock, $10,000 to F. Crompton for $100,000 stock in Keeley Mine Company, and $5,000 to F. C. Whitney for $50,000 stock in Keeley Mine Company.

The remainder of the account has been used to cover up losses made by the bank, and excepting to the extent of about $156,000, which amount it is claimed the general manager of the bank obtained for his own personal purposes, transferring $150,000 of Keeley Mine stock on account thereof.

It was partly in regard to part of this latter item that the Crown took criminal action against him.

So far as I can make out, the position assumed by the manager of the bank was that, as the bank had obtained $500,000 of stock in the Keeley Mine, as a bonus for financing it, he had the right to allocate to this stock such value as he should see

fit, and to charge up against that value any amounts which the bank might lose, or that he might think necessary in order to present a profit sufficient to allow him to pay dividends. To this contention, I am utterly unable to agree

The board of directors claim to have had absolutely no knowledge of what was being done in this connection, and there is nothing in the minutes of the bank to show that the matter came to their attention. It will, however, be necessary for the directors to prove to the court that they had no knowledge of it, for as members of the board will no doubt appreciate, it was quite possible for them to have thoroughly canvassed the situation from time to time, and deliberately left the particulars of the discussion out of the minutes of the bank.

The item was carried in the government returns under the heading of 'Stocks and Bonds Account' and the question must surely arise as to why the directors did not obtain particulars of what the stocks and bonds were when they were considering the statements of the bank from time to time. It is possible, but it would seem almost improbable that they did not do so. In my opinion, however, and without casting reflection upon the directors personally, it would seem to me that the board was one particularly unfitted to be a board of a financial institution, in as much as many of the members were not familiar with financial matters.

The statement of affairs discloses a nominal deficiency of $436,000. This does not cover all the losses made by the bank by a considerable amount, as you will realize from what I have just told you. So far as I can ascertain the bank has lost at least $780,000 in its four years in business. The amount disbursed in organization expenses and stock subscriptions was not less than $55,000, and very probably it will be found to have been considerably more. The business of the bank has been conducted at a loss from the beginning. In 1907 its expenses were greater than its profits by $66,666; in 1908 its expenses were greater than its profits by $44,975, and in addition that year paid a dividend aggregating $19,344; in 1909 its expenses were greater than its profits by $30,422, and in addition to that paid dividends of $22,410; in 1910 it lost $46,255 and in addition paid a dividend of $11,324. In the four years of its existence, therefore, its losses in business (a part from bad debts) amounted to not less than $171,319, while it paid dividends to the extent of $53,078 out of capital.

Beyond these losses on operation, the bank stands to lose at least $440,000 on bad debts (in addition to $30,000 or $40,000 which is lost by reason of defalcations) —the total amount of these items aggregate about $780,000, and they were charged $234,000 against Keeley mines stock and bonds account, $110,000 against other accounts and left the deficiency of $436,000 as shown by the statement of affairs. That there will be other losses is undoubted, but it will mean carefully going over the books before they can be ascertained.

The Keeley mine stock account of $535,000 includes $75,000 paid for stock in the Keeley mine, $234,000 of losses, $156,000 money taken by the manager and the balance of $70,000 charged up for other items. I carried this account in the statement of affairs at its face value by reason of the bank owning $1,025,000 stock in the mining company, which stock may, or may not have a value according to the disposition which it may be found possible to make of the mine in future. I have not had the mine valued for the reason that any valuation made would be criticised, and I deem it distinctly against your interests and the interests of the bank that any statement should be made which would have an effect either of creating too much optimism in your minds or else of depreciating the price and perhaps compelling the bank thereby to take a lesser price than it might be able to obtain under other circumstances. Already a number of inquiries have been made for the mine, and it is probable that these inquiries would not be made unless the mining property had a substantial value, either speculative or in fact.

Considering the whole position of affairs of the bank, therefore, you will see that the prospect is not at all bright; shareholders can look for no return, but, on the other hand, I see little chance of their escaping a double liability. I do not

advise creditors to look for more than a partial return of their claims, but I am not prepared at this time to make any estimate as to what this return will be.

It is apparent that the bank commenced business when it should not have done so; there was an impairment in its capital from the very start; the class of business which it took, excepting in the country branches, was not good, and in too many instances the bank supported undertakings to which it was lending money. Under these conditions the bank would have had a hard enough road to hoe anyway, but, when undertakings were entered into and the bank's money loaned to corporations in which an executive officer of the bank had a personal interest, it is apparent that its chances of success were not increased, and when the general manager of the bank undertook to abuse his trust and to use the moneys of the bank for his own personal benefit, violating the criminal laws and the by-laws of the bank and the confidence of everybody concerned, there could be but one end to it. As I have before stated, the personel of your board of directors was not a means of strength so far as looking after the interests of the bank, under these circumstances, was concerned, in as much as they were hardly capable of discovering a number of the transactions entered into had they been alive to the necessity of investigating them, although I cannot see how they should have overlooked inquiring into the quality of the assets disclosed by the annual statements. If they are able to show to the courts that they were innocent of the condition of affairs, then I think you can attribute the failure of this bank to the dishonesty of the general manager.

RE KEELEY MINES.

On the 18th April, 1908, Dr. Beattie Nesbitt obtained an option on the property for $300,000, payable $50,000 on the 18th May, and the balance in instalments spread over a period of time.

On the 18th May, 1908, Dr. Beattie Nesbitt entered into an agreement under the terms on which Wishart, Travers and the Farmers' Bank were to participate in all benefits received by him from the option, and on the same day, he executed an additional agreement to the effect that he was not to deal with the option without the consent of the Farmers' Bank.

In May, 1908, the Keeley Jowsey Wood Mine Limited was formed, and, at a meeting of the Provincial Directors held in May, a resolution was passed by the Board to purchase the option from Dr. Beattie Nesbitt, and to issue to him the whole of the capital stock except $25, the capital stock to be $1,000,000 in payment for the option. On the same day, Wishart was elected President of the company, Nesbitt Vice-President and Travers was the third Director.

On the 20th May, the bank made an advance to Wishart of $25,397, and to the Keeley Jowsey Wood Mine of $25,000, apparently to take care of a payment of $50,000 to be made under the terms of the option agreement on or about 18th to 20th May. There was no authority at this time given to Travers to advance the money of the bank; such authority was not obtained until June 17 following. The by-laws of the bank prohibited the Managing Director from lending more than $10,000 of the bank's funds to any person, firm or corporation without specific authority of the Board.

On June 17th, 1908, a credit to some amount in four figures was given to the Keeley Jowsey Wood Mine Limited, and approved of by the Board of Directors, subsequently, the minutes authorizing this advance was changed, so that in its changed form it permitted the General Manager of the bank to advance to the mine in his discretion. It is claimed that the change in these minutes constituted a forgery, and the Crown are taking action in connection therewith.

The bank continued to advance money to the mining company, in large amounts, until December, 1908, when the shareholders of the Keeley Jowsey Wood Mine agreed to sell its assets, subject to its liabilities, the liability to the bank then being about $150,000 to the Keeley Mine Limited, on condition that the stock in

the latter, which amounted to two and a half million dollars was to be issued, one-fifth to Travers, one-fifth to Nesbitt, one-fifth to Wishart, and one-fifth to the Farmers' Bank, and the balance to remain in the treasury. This transaction was put through and the Keeley Jowsey Wood Mine was wound-up, Fitzgibbon, the chief accountant of the bank, being the liquidator.

No authority appears on the books of the bank authorizing any advance to the Keeley Mine Limited, the Keeley Mine, however, assumed the liability of $150,000 of the Keeley Jowsey Wood Mine, and from that time forward, the bank loaned to the company another $471,000 so that at this date, the mining company is indebted to the bank in $621,000 for actual cash advanced. Of this $621,000 adavnced to the mine, the general manager of the bank, Travers, took for his own benefit. $35,000 in two amounts of $15,000 and $20,000. The $15,000 obtained on October 6th, 1909, from the bank, when he discounted a note of the Keeley Mine in the bank for $15,000, and had the proceeds put to his own credit, subsequently using the same.

The mining company books show this advance of $15,000 from the bank, and they also show the Manager Travers, indebted to the company in the same amount, but, in the statements of the mining company rendered to its shareholders, both of these items are eliminated and not shown, showing that Travers was deceiving the shareholders of the mining company.

With regard to the $20,000, it covers an amount obtained from the bank by Travers on November 3, 1910, when he discounted a note of the Keeley Mine in the bank and had the sum put to his credit. This note is still in the bank, but the mining company has never received any of the money nor did it get any benefit. This means that out of the $621,000 advanced to the mine, $35,000 went to Travers for his personal use, and $585,000 apparently to the company.

SESSIONAL PAPER No. 153a

RETURN

(110c)

To an Address of the House of Commons, dated the 16th January, 1911, for a copy of all applications, petitions, letters, telegrams and other documents and correspondence, and all Orders in Council and certificates, relating to or connected with the establishment of the Farmers' Bank of Canada and its operations.

CHAS. MURPHY,
Secretary of State.

HOME LIFE BUILDING, VICTORIA STREET,
TORONTO, Oct. 8, 1906.

Counsel:
Wallace Nesbitt, K.C.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

My Dear MR. FIELDING,—I have been consulted on behalf of a number of subscribers to the shares of the Farmers' Bank, and from the instructions I have received a number of the subscribers will dispute the bona fide character of the subscriptions. I have not time to-night to give a full statement of the grounds of this request to you, but I beg to assure you that grave conditions have arisen which will require careful consideration before the Treasury Board would grant any certificate for the organization of this bank.

I therefore ask you to be good enough to stay any action which might be taken until I have had an opportunity of discussing this with you. If it is not asking you to hold it too long, I would prefer not having to go to Ottawa this week, but will go any day next week which would suit your convenience. Of course if there is no immediate prospect of your granting such a certificate my seeing you at an early date will not be necessary.

LEIGHTON McCARTHY.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH,
TORONTO, Ont., Oct. 11th, 1906.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

Please wire me assurance in reference to stay of certificate of Treasury Board mentioned in my letter of Monday night.

LEIGHTON McCARTHY.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH.

OTTAWA, October 11, 1906.

LEIGHTON MCCARTHY, M.P.,
Toronto.

No application yet received for the certificate referred to. Please forward your representations immediately and they will be considered when application comes.

W. S. FIELDING,
Minister of Finance.

MINISTER OF FINANCE, CANADA.

OTTAWA, October 11, 1906.

LEIGHTON G. MCCARTHY, ESQ., M.P.,
Toronto.

My Dear Mr. MCCARTHY,—I have your letter of the 8th instant, and your telegram to-day on the subject of the Farmers' Bank.

I wired you to-day that no application had been made by the promoters for the Treasury Board certificate, and suggested that you send forward at once any representations which you may wish to make, to which we shall give all due consideration.

W. S. FIELDING,
Minister of Finance.

Counsel:
Wallace Nesbitt, K.C.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, October 12, 1906.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

My Dear MR. FIELDING,—Many thanks for your telegram received last night, advising me that no application had yet been received for certificate of the Farmers' Bank and asking me to forward representations immediately when they will be considered. This will receive my attention.

I am obliged to you for the telegram.

LEIGHTON MCCARTHY.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, Oct. 19th, '06.

Counsel:
Wallace Nesbitt, K.C.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

Re The Farmers' Bank of Canada.

My dear Mr. FIELDING,—I beg to inclose the special endorsement upon a writ of summons in the High Court of Justice for Ontario, which will be issued by: William A. Saxon, John Sproat, George Castle, William McLean, Finlay McCallum, Robert Hume, James Murray, George Denoon, John McLeod, Jane Shuert, William Harris, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of the Farmers' Bank of Canada who may desire to come in and be parties to this action, against The Farmers' Bank of Canada, James Gallagher, John Watson, John Ferguson, Alexander Fraser, Alexander Shepherd, Lown, W. R. Travers, C. H. Smith, A. G. H. Luxton, and the Traders' Bank of Canada, and W. J. Lindsay, and I respectfully request that the Treasury Board will stay any action upon the application of persons professing to act in the name of the Farmers' Bank of Canada, or in the name of the provisional directors of the Farmers' Bank of Canada, for a certificate under section 15 of the Bank Act on the grounds alleged in the inclosed special endorsement, and other grounds which may be disclosed upon the examination of the alleged subscribers for shares.

I have received information that the alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money, and that the persons professing to act in the name of the bank have transferred notes and received the proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of these notes, or sufficient amount to make up $250,000.

I wish you to have the kindness to acknowledge the receipt of this protest against the granting of a certificate so that I may advise the shareholders who are disputing their liability, and I would be pleased to go to Ottawa upon any appointment you may make for the further consideration of this matter.

LEIGHTON McCARTHY.

FINANCE DEPARTMENT, OTTAWA, CANADA,

LEIGHTON McCARTHY, ESQ., K.C., M.P., October 23, 1906.
Messrs. McCARTHY, OSLER, HOSKIN & HARCOURT,
Barristers, &c.,

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, ONT.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 19th instant, to Mr. Fielding's address, respecting the Farmers' Bank of Canada.

When application is made by the Farmers' Bank to the Treasury Board for a certificate to enable them to commence business, the representations contained in your letter with its inclosure will be laid before the board.

T. C. BOVILLE,
For Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, October 23, 1906.

The Honourable,
The Minister of Finance and Receiver General of Canada,
Ottawa, Canada.

DEAR SIR,—I hereby beg to inclose you certificate No. 1150 from the Bank of Montreal, Toronto, $250,000, to be deposited to the credit of the Farmers' Bank of Canada, in compliance with section 13 of the Bank Act.

Please acknowledge receipt, and oblige,

W. R. TRAVERS,
General Manager.

Toronto, Oct. 23, 1906.

No. 1150.

Duplicate for Department.

Bank of Montreal.

$250,000. .....190.....:

Received from W. R. Travers on account of for deposit to credit of Farmers' Bank of Canada the sum of two hundred and fifty thousand dollars, which amount will appear at the Receiver General's credit with this bank.

Signed in triplicate.

H. A. DEAN,
Pro Manager.

FINANCE DEPARTMENT, OTTAWA, CANADA.

October 24, 1906.

The General Manager,
The Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 23rd instant, inclosing receipt and draft of the Bank of Montreal, Toronto, for the sum of $250,000 deposited by your bank in compliance with section 13 of the Bank Act.

I may say in this connection that opposition has been filed in this department to the granting of a certificate to your bank under section 14 of the Bank Act.

T. C. BOVILLE,
For Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, October 29, 1906.

The Hon.
The Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—Yours of the 24th, post-marked October 26, was received here on the 27th.

I was surprised to know that any one had filed an opposition against this bank being granted a certificate.

Would you kindly do me the favour of supplying me with a copy of the said objections as I do not know up to the present moment wherein we have deviated in the slightest effect from the Bank Act.

W. R. TRAVERS,
General Manager.

FINANCE DEPARTMENT, OTTAWA, CANADA.

October 31, 1906.

LEIGHTON G. MCCARTHY., ESQ., K.C., M.P.,
Messrs. McCarthy, Osler, Hoskin & Harcourt,
Home Life Building, Victoria Street,
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 19th instant, addressed to Mr. Fielding, on the subject of the Farmers' Bank of Canada and the issue of a certificate to that bank to commence business under section 15 of the Bank Act, I notice recently a reference in the newspapers for a judgment given by Judge Anglin in a suit relating to this matter. In view of the decision rendered I shall be obliged if you will let me know if you still desire the protest contained in your letter to be brought before the Treasury Board upon an application of the Farmers' Bank for a certificate to be considered.

T. C. BOVILLE,
For Deputy Minister of Finance.

Counsel:
Wallace Nesbitt, K.C.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, NOVEMBER 1, 1906.

T. C. BOVILLE, ESQ.,
Acting Deputy Minister of Finance,
Ottawa.

DEAR SIR,—With reference to yours of the 31st ulto., I will be in Ottawa on Monday or Tuesday of next week when I will do myself the pleasure of calling upon you with reference to the subject matter of your letter.

LEIGHTON McCARTHY,

FINANCE DEPARTMENT, OTTAWA, CANADA.

OTTAWA, November 2, 1906.

W. R. TRAVERS, ESQ.,
General Manager, The Farmers' Bank of Canada.
Toronto, Ont.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 29th instant, and in reply I beg to inclose herewith a copy of a letter addressed to Mr. Fielding by Mr. Leighton McCarthy by way of protest to the granting of a certificate to your bank to commence business. Of the inclosure with Mr. McCarthy's letter I have not sent you a copy as it is lengthy and I have no doubt you already have a copy of it in your possession.

T. C. BOVILLE,
Deputy Minister of Finance.

Counsel:
Wallace Nesbitt, K.C.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, November 2, 1906.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—Referring to my letters of the 8th and 9th inst. with reference to the application for a certificate made on behalf of the Farmers' Bank; I am advised by those who are instructing me that the claims made by them in the action brought have been settled by their subscriptions being taken up by some parties interested in the bank and refunding the money paid by the individuals or returning the notes which had been given. The objections which I made on their behalf to the issue of the certificates are therefore withdrawn. Would you mind therefore returning to me the papers which I forwarded to you.

LEIGHTON McCARTHY,

FINANCE DEPARTMENT, OTTAWA, CANADA,

November 7, 1906.

LEIGHTON G. MCCARTHY, ESQ., K.C., M.P.,
Messrs. McCarthy, Osler, Hoskin & Harcourt,
Home Life Building, Victoria Street,
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 2nd instant, in the matter of an application of the Farmers' Bank of Canada for a certificate to commence business, I beg to inclose herewith the papers forwarded with your letter of the 19th October.

T. C. BOVILLE,
Deputy Minister of Finance.

FINANCE DEPARTMENT, OTTAWA, CANADA,
November 7, 1906.

W. R. TRAVERS, ESQ.,
General Manager, The Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—Referring to my letter to you of the 2nd instant, inclosing copy of a letter addressed to Mr. Fielding by Mr. Leighton McCarthy by way of a protest to the granting of a certificate to your bank to commence business, I beg to state that I am advised by Mr. McCarthy that the objections which he made to the issue of a certificate have been withdrawn.

T. C. BOVILLE,
Deputy Minister of Finance.

FINANCE DEPARTMENT, OTTAWA, CANADA,

OTTAWA, November 21, 1906.

W. R. TRAVERS, ESQ.,
General Manager, The Farmers' Bank of Canada.
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 23rd October, making a deposit under section 13 of the Bank Act of the sum of $250,000, I have no doubt that you will be applying very shortly for a certificate under section 14 to commence business. In the papers to be submitted to the Board in support of the application there is a list of bona fide subscribers of capital stock of the bank showing subscriptions to the extent of $500,000. Would you be so good as to have added to this list, for submission to the Board, a statement showing the actual amount of cash paid up by each subscriber.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, November 27, 1906.

Deputy Minister of Finance,
Parliament Buildings,
Ottawa, Ont.

DEAR SIR,—I have the honour herewith to forward declaration of the General Manager of the Farmers' Bank of Canada setting forth facts relating to the incorporation and organization of the said Bank, and also giving the names of the

Directors elected at the meeting of Subscribers and such other particulars as are required by the Bank Act. The provisions of the Act as to subscriptions and deposit with the Receiver General having been fully complied with on behalf of the said bank, I apply for the Certificate of the Treasury Board permitting the said bank to commence the business of banking.

W. R. TRAVERS,
General Manager.

DOMINION OF CANADA,
Province of Ontario,
County of York. } To wit:—

IN THE MATTER of the Bank Act and Amendments and of the Farmers' Bank of Canada.

I, WILLIAM R. TRAVERS, of the City of Toronto, in the County of York, General Manager of the Farmers' Bank of Canada, do solemnly declare:—

1. The Farmers' Bank of Canada was duly incorporated by an Act of Parliament of Canada, being chapter 77 of the Statutes of 1904; The said Act of Incorporation was amended by a further Act of the Parliament of Canada being chapter 92 of the Statutes of 1905, and was further amended by an Act of the Parliament of Canada, being chapter 94 of the Statutes of 1906. A true copy of each of the said Acts are now shown to me and marked Exhibit 'A' to this my declaration.

2. The Provisional Directors of the said Bank proceeded in accordance with the Bank Act to open the stock books and issued a prospectus. A true copy of the said prospectus is now shown to me and marked Exhibit 'B' to this my declaration.

3. On or about the Twenty-second day of March, 1906, I was appointed by the Provisional Directors General Manager of the Bank and still occupy the same position, and have knowledge of the matters hereinafter set forth.

4. On the Twenty-third day of October, 1906, there had been actually bona fide subscribed five thousand seven hundred and fifty-seven shares of the Capital Stock of the Farmers' Bank of Canada and I have had personal knowledge of the applications and subscriptions and each and all of the said subscriptions is and are on the printed form of application—a copy of which is now produced and marked Exhibit 'C' to this my declaration, and that the said subscription appeared on the stock books of the said Bank, and that a sum beyond $250,000 thereof in cash has been actually paid in by the subscribers of the same.

5. Now shown to me and marked Exhibit 'D' to this my declaration is a list of the subscribers to the Capital Stock of the said Bank correctly setting forth as to each subscription the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares and the amount paid in thereon. Each of the said subscriptions is a bona fide subscription to the Capital Stock of the said Bank.

6. The Provisional Directors of the said Bank on the said Twenty-third day of October, 1906, caused $250,000 of the moneys so paid in and which actually had been received in respect of the shares of the Capital Stock of the said Bank to be deposited in the Bank of Montreal to the credit of the Minister of Finance and the Receiver General and that the deposit receipt therefor was forwarded to the Deputy Minister of Finance who acknowledged receipt of the same under date of the twenty-fourth day of October, 1906.

7. In accordance with the provisions of the Bank Act the Provisional Directors by public notice for at least four weeks, called a meeting of the subscribers to the said stock to be held at the offices of the Bank in the Stair Building, corner Bay and Adelaide streets in the City of Toronto in the Province of Ontario on Monday the Twenty-sixth day of November, 1906, at ten o'clock in the forenoon.

8. The said notice appeared by advertising in the issues of the *Canada Gazette* dated October 27th, November 3rd, 10th, 17th, and 24th, and the same notice also appeared in the issues of the Toronto Daily *Globe,* dated October 24th, 25th, 26th, 27th, 29th, 30th, and 31st, and November 1st, 2nd, 3rd, 5th, 6th, 7th, 8th, 9th, 10th, 12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd, 24th, and 26th, and the said notice also appeared in the issues of the Toronto Daily *Mail and Empire.* dated October 24th, 25th, 26th, 27th, 29th, 30th, 31st, and November 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd, 24th, and 26th. A file of the issues of the Toronto Daily *Globe* and of the Toronto Daily *Mail and Empire* containing the said advertisement are produced and marked Exhibit 'E' to this my declaration.

9. A printed copy of the said notice was also sent by post letter prepaid to each of the subscribers of the Capital Stock of the Bank at the address of such subscriber upon the books of the Bank by depositing the same in the General Post Office Branch B, Toronto, on the Twenty-third day of October, 1906. One of the said individual notices is now shown to me and marked Exhibit 'F' to this my declaration.

10. I acted as Secretary to the said meeting of subscribers holden on the said Twenty-sixth day of November, 1906, and at the said meeting upwards of eighty subscribers were present in person and upwards of three hundred and seventy subscribers were represented by proxy. The subscribers adopted by-laws for the bank and determined the day upon which the annual general meeting of the Bank is to be held being the fourth Monday in November in each year, and the subscribers elected nine directors duly qualified under the Bank Act to hold office until the annual general meeting in the year 1907. The directors so elected are as follows:—

Lt.-Col. R. McLennan, of Cornwall, Ontario.
Lt.-Col. Jas. Munro, M.P., of Embro, Ont.
Allan Eaton, Esq., of Mount Nemo, Ont.
Robt. Noble, Esq., of Norval, Ont.
W. G. Sinclair, Esq., of Zimmerman, Ont.
A. Groves, Esq., M.D., of Fergus, Ont., and
N. M. Devean, Esq., W. Beattie Nesbitt, M.D., and John Gilchrist, Esq., of Toronto, Ont.

11. The provisions of the Bank Act as to the subscribers to the Capital Stock of the said bank and the deposit with the Receiver General and as to the notice of the said meeting of subscribers and the proceedings of the said meeting have been fully complied with and pursuant to the direction of the said meeting of subscribers and Board of Directors elected at such meeting application hereby is made for the Certificate of the Treasury Board to permit the said bank to commence the business of banking in accordance with the said Act.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act, 1893.

Declared before me at the City of Toronto in the County of York this twenty-seventh day of November in the year of our Lord, 1906.

W. R. TRAVERS.

W. H. HUNTER,
A Com., &c., in H.C.J.

4 EDWARD VII., CHAPTER 77.

An Act to incorporate the Farmers' Bank of Canada.

(Assented to 18th July, 1904.)

WHEREAS the persons hereinafter named have, by their petition, prayed that an Act be passed for the purpose of establishing a bank in Canada, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The persons hereinafter named, together with such others as become shareholders in the corporation by this Act created, are hereby constituted a corporation by the name of "The Farmers' Bank of Canada, hereinafter called "The Bank."

2. The Capital Stock of the bank shall be one million dollars.

3. The chief office of the bank shall be at the City of Toronto.

4. James Gallagher, of the village of Teeswater, John Watson, of the town of Listowell, John Ferguson and Alexander Fraser, both of the City of Toronto, and Alexander Shepherd Lown, of the village of Drayton, shall be the provisional directors of the bank.

5. This Act shall, subject to the provisions of section 16 of the Bank Act, remain in force until the first day of July, in the year one thousand nine hundred and eleven.

4—5 EDWARD VII., CHAP. 92.

An Act respecting the Farmers' Bank of Canada.

(Assented to 20th July, 1905.)

WHEREAS the Farmers' Bank of Canada has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything contained in the Bank Act, or in chapter 77 of the Statutes of 1904, incorporating the Farmers' Bank of Canada, the Treasury Board may, within two years after the eighteenth day of July, one thousand nine hundred and four, give to the said Bank the Certificate required by section 14 of the Bank Act.

2. In the event of the said bank not obtaining the said certificate from the Treasury Board within the time aforesaid, the rights, powers and privileges conferred on the said bank by the said Act of Incorporation and by this Act shall thereupon cease and determine, but otherwise shall remain in full force and effect notwithstanding section 16 of the Bank Act.

6 EDWARD VII., CHAPTER 94.

An Act respecting the Farmers' Bank of Canada.

WHEREAS the provisional directors of the Farmers' Bank of Canada, have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in the Bank Act, or in chapter 77 of the Statutes of 1904, incorporating the Farmers' Bank of Canada, or in chapter 92 of the Statutes of 1905, extending the time for obtaining the certificate required by section 14 of the Bank Act, the Treasury Board may, within six months after the

eighteenth day of July, nineteen hundred and six, give to the said bank the certificate required by section 14 of the Bank Act.

2. In the event of the said bank not obtaining the said certificate from the Treasury Board within the time aforesaid, the rights, powers and privileges conferred on the said bank by the said Act of Incorporation and by this Act shall thereupon cease and determine, but otherwise shall remain in full force and effect notwithstanding section 16 of the Bank Act.

A

In the matter of the Bank Act and amendments and of the Farmers' Bank of Canada. This is Exhibit 'A' to the declaration of W. R. Travers declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Comm. &c.

PROSPECTUS.

THE FARMERS' BANK OF CANADA. INCORPORATED BY SPECIAL ACT OF THE PARLIAMENT OF THE DOMINION OF CANADA, 1904. HEAD OFFICE: TORONTO. CAPITAL, $1,000,000, IN 10,000 SHARES OF $100 EACH.

THE FARMERS' BANK OF CANADA.

The following gentlemen have consented to act as directors if elected:—His Honour A. E. Forget, Lieutenant-Governor, Saskatchewan; Major Thomas Beattie, President London City Gas Company, Director Agricultural Savings and Loan Company, London; Lieut.-Colonel R. R. McLennan, Contractor, Cornwall, Ont., Director Manufacturers' Life Insurance Company, Director Trusts and Guarantee Company, Director Cornwall Paper Company; John D. Ivey, President, John D. Ivey & Company, Limited, Toronto; Thos. Charlton, Lumberman, Collingwood, Ont., North Tonawanda, N.Y.; H. W. Anthes, President and Managing Director Toronto Foundry Company, Limited; W. S. Calvert, M.P., Manufacturer, Strathroy, President Cameron Dun Company, Limited, President Canadian Oil Company, Limited, Vice-President Northern Life Insurance Company; D. P. McKinnon, Finch, Ont., Ex-President Board of Agriculture and Arts, Director International Portland Cement Co., Ltd.; Colonel James Munro, M.P.P., Banker, Embro, Ont.; Hon. A. G. McKay, K.C., Owen Sound, Ex-Commissioner Crown Lands; George W. Neely, M.P.P., Farmer, Dorchester, Ont.; Thos. Urquhart, Ex-Mayor, Toronto; D. N. McLeod, General Merchant, Parkhill, Ont.; John Ferguson, M.D., M.A., Director Excelsior Life Insurance Company; Robert Noble, Miller, Norval.

General Manager.—W. R. Travers, formerly Manager of the Merchants' Bank of Canada, Hamilton.

Solicitors.—Urquhart, Urquhart & McGregor.

Bankers.—The Traders' Bank of Canada.

MORE BANKING FACILITIES REQUIRED.

The Farmers' Bank of Canada is being formed to meet the increased banking facilities required by the natural and steady expansion of business coincident with the rapid development of the country, particularly its agricultural industries, to whose interests, whilst conducting a general banking business, it will aim to give special consideration.

No other safe business has been as profitable as banking.

No other profitable business has been as safe as banking.

EARNING POWER OF BANKS.

The profits of a bank are due to the fact that every business enterprise requires the assistance of a bank. The surplus money, large or small, of individuals is deposited in the bank and loaned by them at a higher rate of interest to business enterprises all over the country.

According to the latest bank report, chartered banks had—

Total Deposits..... $578,750,561
Total Loans..... $514,943,121

Under the banking laws of Canada a chartered bank has also this additional earning power—that for every dollar of paid-up capital it can issue its bills to that amount, thus doubling the earning power of its stockholders' money. For instance, the authorized capital of the Farmers' Bank of Canada is $1,000,000; if this were fully paid up the bank could issue $1,000,000 in bills, thus earning for its stockholders dividends on $2,000,000, giving the bank a double earning power on its capital.

The profits on bank stocks are distributed to the shareholders in two ways:

1st. Dividends paid direct to stockholders.

2nd. Profits over and above paying dividends placed to Rest account, which increase the value of their stock.

WHAT BANKS HAVE DONE—CANADIAN BANKS.

The following table shows what Canadian banks have done in the past for their stockholders:—

	Par Value.	Present Selling Price.	Dividend Now Paid.
Dominion Bank	$100	$280	10 per cent.
Bank of Nova Scotia	100	278	11 "
Bank of Montreal	100	259	10 "
Bank of Toronto	100	249	10 "
Imperial Bank of Canada	100	244	10 "
Standard Bank	100	234	10 "
Bank of Hamilton	100	229	10 "
Bank of Ottawa	100	228	10 "
Canadian Bank of Commerce	100	182	7 "
Merchant's Bank of Canada	100	165	7 "
Traders' Bank of Canada	100	154	7 "
Sovereign Bank of Canada	100	154	6 "

The stockholders in these banks have thus received their dividends, and in addition their stock has more than doubled in value except in two or three cases.

This splendid showing has been made during a period when the trade of the country was stationery. At the present time, with our trade increasing very fast, the earning power of the banks will be greater than ever, as, for example, is shown by the following list of American banks under like conditions:—

AMERICAN BANKS.

	Par Value.	Present Selling Price.
Chemical National Bank of New York	$100	$4,850 00
Fifth Ave. National Bank of New York	100	3,750 00
Farmers' Deposit Bank, Pittsburgh	100	1,600 00
Pittsburgh Bank for Savings	100	800 00
Second National Bank	100	820 00
First National Bank, Kansas	100	700 00
German American Bank, St. Louis	100	900 00

Bank stocks, therefore, offer to the investor—

1. A profitable investment.
2. A safe investment.
3. An investment increasing in value.
4. An investment easily realizable.

INVESTMENTS IN BANKS RARE.

The opportunity for investment in stock in a new bank in Canada is rare. It is impossible to get stock in a chartered bank at other than market prices. The stock of a chartered bank which has been going on for some time sells so readily, that it must be purchased at the large premiums at which such shares sell in the open market.

Banks have the power of easily increasing the amount of their capital stock, but whenever they do so the new stock must be first offered pro rata to existing shareholders. In every case in which such has been done the existing shareholders have taken up the whole of the issue, and the general public has been unable to obtain any of it. Should the Farmers' Bank of Canada increase its capital stock in the future, shareholders would also have this privilege, which is considered one of the advantages of being a shareholder.

CAPITAL STOCK.

The capital of the Farmers' Bank of Canada is $1,000,000, divided into 10,000 shares of $100 each.

The first block of $500,000 is offered at par, and will be payable as follows:—On subscription, $10 per share; a further $20 per share upon allotment; and seven equal payments of $10 each per share; the first of such payments to be made 30 days after allotment and the succeeding payments at intervals of 30 days each.

On payments made in advance of monthly instalments interest at the rate of four per cent. per annum will be allowed.

MANAGEMENT.

The gentlemen who have consented to act as directors have been successful in their own business affairs, and are men in whom the public have the highest confidence.

Their selection will have to be ratified at the first meeting of the shareholders. Additional directors will also be selected from amongst the shareholders at the said meeting by the shareholders themselves, so that the shareholders will have a direct opportunity of seeing that the affairs of the bank shall be entrusted to careful and competent management.

Arrangements have been made whereby the office of General Manager will be filled by a well-known, experienced and successful banker, who has held very responsible positions in one of the largest Canadian banks.

The Stock books are now open for subscription at the Provisional Office, 118 King street west, Toronto.

The Provisional Directors reserve the right to allot or reject any subscription in whole or in part.

Cheques, drafts, money orders, and other remittances on account of stock subscriptions should be made payable to 'The Farmers' Bank of Canada;' any payments made otherwise entirely at the subscriber's risk.

Applications for stock can be made in person or by Power of Attorney, form of which is inclosed.

Any further particulars will be furnished on application to C. H. Smith, The Secretary of the Provisional Board of Directors of the Farmers' Bank of Canada, 118 King street west, Toronto, Ont.

SESSIONAL PAPER No. 153a

THE FARMERS' BANK OF CANADA.

Capital $1,000,000. Par Value each share $100.

To the Farmers' Bank of Canada:

We, the undersigned, do hereby severally apply for, and subscribe for, the respective number of shares of the capital stock of the Farmers' Bank of Canada set opposite our respective signatures hereto, and we hereby respectively offer and agree to pay for the said stock, $100 for each $100 share as follows: $10 per share upon the signing hereof, a further $20 per share upon allotment by the provisional board of directors or the directors of the said bank to the undersigned respectively, and the balance in seven equal monthly payments of $10 each per share, the first of such payments to be made thirty days after allotment, and the succeeding payments at intervals of thirty days, making in all $100 per share.

And we respectively agree to accept and pay for, as above mentioned, whatever number of shares of our said respective subscriptions may be allotted, notwithstanding that the whole number of shares applied for be not allotted.

We further respectively agree that, if default be made in the payment of any of the instalments or percentages above mentioned, the board of provisional directors, or the directors of the said bank, may at their option enforce payment by action in the usual way, or may proceed under the provisions of the Bank Act and the by-laws of the bank, for the forfeiture of the said shares.

NAME.	RESIDENCE.	CALLING.	NO. OF SHARES.	AMOUNT WITH PREMIUM.	SIGNATURE.	DATE.	WITNESS.

NOTE.—The foregoing is a facsimile of the Subscription Book which shall be signed by the subscriber in person or by his Attorney duly constituted.

In the matter of the Bank Act and amendments and of the Farmres' Bank of Canada. This is Exhibit "B" to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Com., &c.

APPLICATION FOR STOCK.

To the Secretary of the Farmers' Bank of Canada.

SIR,—I hereby apply to the provisional directors or the directors of the Farmers' Bank of Canada for shares of the capital stock of the said bank of the par value of $100 each at the price of $100 per share.

And I hereby agree with the Farmers' Bank of Canada to accept the shares now applied for or any lesser number that may be allotted to me, and to pay for the same as follows: $10 per share upon the signing hereof, a further $20 per share upon allotment, and seven equal monthly payments of $10 each per share, the first of such payments to be made thirty days after allotment, and the succeeding pay-

ments at intervals of thirty days. I reserve to myself the right to pay these shares in full upon the allotment on the terms of the prospectus.

I hereby make and appoint the Secretary of the Provisional Board as my attorney to sign and subscribe my name to the subscribers, agreement in the stock books of the said bank, and to accept such shares as may be allotted to me and to register me therein as the holder of the said shares.

I further hereby make and appoint (as a term of my application for shares hereinbefore contained)
my proxy to vote for me and in my behalf at all meetings of the shareholders or subscribers of the stock of the said bank, and at any adjournment thereof, at which I may not be personally present, upon and in respect of all shares of the stock of the Farmers' Bank of Canada which shall be allotted or transferred to me.

Cheques, drafts, money orders, and other remittances on account of stock subscriptions should be made payable to the Farmers' Bank of Canada; any payments made otherwise entirely at subscriber's risk.

Signature.. .. ..

Date .. ..

Name in full.. .. ..

Occupation.. .. ..

Address.. .. ..

In the matter of the Bank Act and amendments of the Farmers' Bank of Canada.

This is Exhibit 'C' to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,

A Com., &c.

'D' IN RE BANK ACT AND FARMERS' BANK OF CANADA.

This is Exhibit 'D' to the declaration of W. R. Travers, declared before me this 27th November, 1906.

W. H. HUNTER.

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name	Residence	No. Shares Subscribed for	Amount Subscribed.	Amount Paid.
			$	$
Brimblecomb, Wm	Drayton, Ont	5	500	25
Tucker, Geo.)	Bosworth, Ont	2	200	10
Dowling, John J	Dratyon, Ont	1	100	5
Gibb, Hugh C	Drayton, Ont	2	200	140
Page, Garnet L	Drayton, Ont	10	1,000	700
Wilson, Wm. and H	Rothsay, Ont	2	200	200
Noble, Robert	Bosworth, Ont	2	200	60
Whyte, John	Drayton, Ont	1	100	40
Gordon, Lottie Mrs	Drayton, Ont	2	200	10
Ritch, Wm	Drayton, Ont	2	200	70
Dales, John N	Kingston, Ont	1	100	5
Cunningham, H	Drayton, Ont	5	500	100
Wadel, Joseph	Whitechurch, Ont	10	1,000	1,000
Fowler, Geo. S	Teeswater, Ont	5	500	275
Casey, Con	Drayton, Ont	5	500	450
Mayne, Ellen Mrs	Stirton, Ont	2	200	175
Downey, James	Goldstone, Ont	2	200	10
Ellis, George	Drayton, Ont	5	500	500
Johnston, James	Winfield, Ont	2	200	40
Johnston, Robert	Winfield, Ont	5	500	100
Laing, Helen	Drayton, Ont	10	1,000	1,000
Davidson, E	Drayton, Ont	10	1,000	1,000
Wooddisse Bros	Rothsay, Ont	10	1,000	1,000
White, Charles	Drayton, Ont	5	500	25
Corbitt, R. H	Rothsay, Ont	10	1,000	1,000
Groves, A	Fergus, Ont	100	10,000	3,000
Elsley, Levi	Nassagaweya, Ont	7	700	700
Visger, J. S	Montreal, Que	1	100	5
Ryan, J. G	Elizabeth, N. J	1	100	5
Fortier, Joseph	Montreal, Que	2	200	10
Forget, A. E	Regina, Sask	50	5,000	.....
Munro, James	Embro, Ont	50	5,000	3,250
Lavertin, L. V	Montreal, Que	3	300	15
Davidson, W. F	Drayton, Ont	2	200	20
McKay, Alex	Holiday, Ont	5	500	350
McKay, Hugh	Holiday, Ont	5	500	350
Sutherland, G. A	Embro, Ont	5	500	500
Geddes, W. J	Embro, Ont	10	1,000	1,000
Sutherland, Geo	Chicago, Ill	10	1,000	1,000
Keseltine, W. H	Rothsay, Ont	10	1,000	100
Stevens, F. B	Detroit, Mich	20	2,000	1,000
Newman, R. A	Detroit, Mich	50	5,000	5,000
Elsley, Levi	Nassagaweya, Ont	3	300	300
Lathrop, F. E	Aramada, Mich	10	1,000	1,000
Walker, Joseph	Niagara-on-the-lake, Ont	2	200	20
Murray, C	Embro, Ont	10	1,000	1,000
Sutherland, R	Golspie, Ont	5	500	500
Brand, C. A	Embro, Ont	5	500	500
Sutherland, M	Golspie, Ont	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Walsh, Mrs. J.	Hollin, Ont.	6	600	600
Paterson, W. A.	Flint, Mich.	10	1,000	500
Ferguson, A.	Edinburgh, Scot.	10	1,000	500
Lindsay, James	Fergus, Ont.	10	1,000	1,000
Sutherland, Geo. A.	Embro, Ont.	5	500	500
Simpson, G. A.	Leamington, Ont.	10	1,000	1,000
Morse, G. A.	Leamington, Ont.	5	500	500
Nelson, J. H.	Kingsville, Ont.	20	2,000	2,000
Samson, James	Windsor, Ont.	5	500	50
Watt, J. A.	Salem, Ont.	1	100	40
Charlton, Thomas	Collingwood, Ont.	30	3,000	.....
McLennan, R.R.	Cornwall, Ont.	50	5,000	3,000
Webb, Thomas	Brighton, Ont.	10	1,000	1,000
Gilchrist, A.	Napanee, Ont.	3	300	240
Armstrong, R.W.	Bracebridge, Ont.	1	100	50
Harris, M. A.	Toronto, Ont.	2	200	200
Witham, A. J.	St. Catharines, Ont.	25	2,500	.....
Wise, Henry	St. Catharines, Ont.	5	500	500
McMillan, Isabella	Hamilton, Ont.	5	500	500
Brown, J. G.	Humber Bay, Ont.	2	200	200
Barnhill, John	Norval, Ont.	2	200	200
Noble, Robert	Norval, Ont.	30	3,000	3,000
Hunter, Francis	Norval, Ont.	10	1,000	1,000
Cook, James E.	Hamilton, Ont.	4	400	400
Day, G. H.	Norval, Ont.	3	300	300
Turner, W. D.	Norval, Ont.	2	200	200
Watson, Robert, sr.	Norval, Ont.	5	500	50
Anthony, F. W.	Norval, Ont.	1	100	10
Early, M. J.	Norval, Ont.	6	600	600
Sykes, A.	Glenwilliams, Ont.	10	1,000	1,000
Tumulty, T. H.	Madoc, Ont.	1	100	100
Hyatt, W.	Norval, Ont.	10	1,000	1,000
Hunter, John	Norval, Ont.	1	100	100
Chisholm, William	Antigonish, N.S.	3	300	300
Cook, John C.	Norval, Ont.	5	500	50
Switzer, Jos. C.	Norval, Ont.	5	500	50
Leslie, Matilda	Georgetown, Ont.	5	500	500
Leslie, R. F.	Georgetown, Ont.	10	1,000	1,000
Summers, Jane	Corinth, Ont.	1	100	100
Fisher, A. E.	Whitehorse, Yukon.	5	500	500
Eccles, John	Glenwilliams, Ont.	10	1,000	.....
Showler, T. W.	Arkona, Ont.	10	1,000	30
Hotson, Alexander	Parkhill, Ont.	15	1,500	900
Dickison, Thos.	Arkona, Ont.	4	400	400
Dickison, Jennie	Arkona, Ont.	5	500	500
Hunter, John W.	Toronto, Ont.	5	500	500
Ellis, J. S.	Toronto, Ont.	1	100	50
Green, C. J.	Kingsville, Ont.	2	200	200
Smith, A. E.	Parkhill, Ont.	4	400	400
Bowley, James	Strathroy, Ont.	10	1,000	500
Sunstrum, John	Ottawa, Ont.	25	2,500	.....
Merner, Samuel	Berlin, Ont.	50	5,000	.....
McKinnon, D. P.	Finch, Ont.	10	1,000	100
McMillan, D. A.	Finch, Ont.	5	500	450
Simpson, J. P.	Finch, Ont.	3	300	270
Adams, Benjamin	Finch, Ont.	5	500	500
Deese, D. F.	Finch, Ont.	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Sutherland, D.	Golspie, Ont	3	300	300
Showler, T. W	Arkona, Ont	20	2,000	70
Moore, Louisa Miss	Arkona, Ont	1	100	100
Smith, Sarah Mrs	Arkona, Ont	1	100	100
Smith, George	Arkona, Ont	10	1,000	495
Copeland, E. M	Arkona, Ont	5	500	500
Greenlees Bros	Milton, Ont	10	1,000	1,000
Kerr, John	Milton, Ont	50	5,000	3,000
Waters, Wm	Springbank, Ont	10	1,000	1,000
Waters, Sarah	Springbank, Ont	10	1,000	1,000
McLaughlin, J. C	Norval, Ont	2	200	100
Sutherland, James	Holiday, Ont	10	1,000	1,000
Darrah, Robert	Milton, Ont	10	1,000	1,000
Scott, W. N	Milton, Ont	50	5,000	1,500
Daniels, Geo	Milton, Ont	5	500	200
Cheyne, Luther	Bramtpon, Ont	5	500	100
McCann, Ed., jr	Omagh, Ont	10	1,000	100
Bell, Geo. A	Lowville, Ont	53	300	30
Powell, H. H	Lowville, Ont	15	1,500	825
McCall, Hugh A	Milton, Ont	10	1,000	
Dewar, Duncan	Milton, Ont	5	500	200
Stewart, Jno	Milton, Ont	5	500	250
Travers, W. R	Toronto, Ont	50	5,000	500
Hunter, John	Milton, Ont	15	1,500	1,500
Ford, John A	Omagh, Ont	5	500	50
Sutherland, Robert	Gols e, Ont	5	500	500
Sutherland, Hugh	Holiday, Ont	5	500	500
Elliot, William	Milton, Ont	5	500	500
Irving, John	Milton, Ont	5	500	50
Panton, William	Milton, Ont	10	1,000	100
McLeod, John	Milton, Ont	1	100	50
Scott, J. B	Milton, Ont	5	500	100
Mathews, Alex	Guelph, Ont	5	500	500
Brandon, J. S	Milton, Ont	5	500	
Lindsay, Wm. J	Toronto, Ont	50	5,000	500
Storey, Geo	Milton, Ont	50	5,000	5,000
Muir, Gertrude	Almonte, Ont	5	500	500
MacDowall, Wm. S	Almonte, Ont	5	500	500
McCuaig, Malcolm	Peveril, Que	10	1,000	1,000
Cattanach, J. F	North Lancaster, Ont	2	200	200
McCuaig, Donald	Dalhousie Stat., Que	5	500	500
McDonald, P. D	Bridge End Stat	2	200	200
Beaty, Wm. T	Omagh, Ont	50	5,000	5,000
Elliot, Dollie	Milton, Ont	1	100	100
Foster, James	Moray, Ont	10	1,000	1,000
McLachlin, Donald	Parkhill, Ont	1	100	100
Augustine, W. A	Arkona, Ont	1	100	100
Foster, Joseph, sr	Greenway, Ont	1	100	100
Kemp, D. C	Hornby, Ont	50	5,000	5,000
Bate, Joseph E	Scotch Block, Ont	50	5,000	5,000
Geer, Jennie B	Milton, Ont	50	5,000	
Hunter, William	Ashgrove, Ont	25	2,500	2,500
Hunter, Thomas	Norval, Ont	25	2,500	2,500
Elliott, J. W	Milton, Ont	5	500	100
Roper, J. P	Milton, Ont	1	100	100
Sproat, John	Mansewood, Ont	100	10,000	1,000
Edmonstone, Jas	Balaclava, Ont	4	400	240

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Gillies, Mary	Watford, Ont	1	100	100
Thompson, Lizzie	Watford, Ont	1	100	100
Saunders, Annie N.	Tillsonburg, Ont	5	500	500
Saunders, Wm. H.	Tillsonburg, Ont	5	500	250
Dewar, John	Milton, Ont	5	500	.....
Sayers, Peter	Guelph, Ont	10	1,000	.....
McDuffe, P. A.	Omagh, Ont	10	1,000	1,000
Gastle, George	Milton, Ont	10	1,000	1,000
Shortreed, Jno. H.	Mansewood, Ont	5	500	500
McCallum, Finlay	Milton, Ont	10	1,000	1,000
Scott, Mary Moore	Milton, Ont	10	1,000	30
Scott, Flora	Milton, Ont	10	1,000	100
Ford, James	Boyne, Ont	50	5,000	200
Pell, John	Omagh, Ont	10	1,000	1,000
Aitkens, Thomas	Milton, Ont	25	2,500	2,500
Dixon, W. A	Milton, Ont	50	5,000	500
Whitney, W. P	Milton, Ont	1	100	100
Pearce, Edith E.	Springford, Ont	5	500	500
Bunt, Wm. T.	Springford, Ont	2	200	60
Somerville, Wm	St. Marys, Ont	10	1,000	100
Moffatt, James	Kelso, Ont	10	1,000	1,000
Thompson, Geo. H.	Hornby, Ont	50	5,000	5,000
Emerson, Andrew	Zimmerman, Ont	50	5,000	500
Joyce, Clark	Mansewood, Ont	5	500	50
Dewar, W. F.	Milton, Ont	10	1,000	300
Joyce, Robert	Mansewood, Ont	10	1,000	600
Bridgmann, Burwell	Zimmerman, Ont	1	100	10
O'Hagan, James	Toronto, Ont	1	100	80
Murray, James	Mansewood, Ont	10	1,000	300
Galloway, Chas. E	Milton, Ont	5	500	50
Robertson, Hugh	Martintown, Ont	5	500	500
Robertson, Duncan J	Martintown, Ont	10	1,000	1,000
Moffat, James F.	Martintown, Ont	3	300	300
Ewing, James	Eden Mills, Ont	5	500	500
Hollinrake, C. E.	Milton, Ont	5	500	300
Alderson, Thos.	Drumquin, Ont	5	500	50
Howden, Thomas	Milton, Ont	5	500	50
Coulson, John	Kilbride, Ont	25	2,500	450
Bowes, G. S.	Milton, Ont	2	200	200
Coulson, Wm. J.	Kilbride, Ont	5	500	50
Bradshaw, J. L.	Stratford, Ont	5	500	250
Wilson, Isabella	Edinburgh, Scot	2	200	80
Robertson, Wm	Hamilton, Ont	5	500	500
Cruikshank, Anne	Hamilton, Ont	10	1,000	1,000
Hume, John	Scotch Block, Ont	5	500	50
Andrews, Jos. W.	Milton, Ont	2	200	20
Shuert, Jane	Milton, Ont	3	300	30
Stewart, Jno.	Milton, Ont	10	1,000	100
Bell, Geo. A.	Lowville, Ont	7	700	70
Ford, John F.	Omagh, Ont	50	5,000	1,000
Cox, Thomas	Milton, Ont	50	5,000	5,000
McDuffe, P. A.	Omagh, Ont	15	1,500	1,500
Kennedy, Wm. N.	Hornby, Ont	5	500	250
Powell, Hy. H.	Lowville, Ont	15	1,500	825
Pearce, Edith F.	Springford, Ont	5	500	500
Ross, Andrew J.	Nairn, Ont	1	100	60
McGregor, Chas. D.	Milton, Ont	5	500	150

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Wilson, Hugh E.	Keyser, Ont.	5	500	500
Kelly, P. J.	Stratford, Ont.	10	1,000	100
Fraser, Edna S.	Surgoinsville, Tenn.	2	200	200
Handy, Lottie O. M.	Surgoinsville, Tenn.	1	100	100
Handy, F. T.	Surgoinsville, Tenn.	1	100	100
Roper, Jno. P.	Milton, Ont.	4	400	400
Darling, Robt. A.	Mansewood, Ont.	5	500	50
Clements, Mathew	Milton, Ont.	5	500	50
Denoon, Geo.	Milton, Ont.	20	2,000	2,000
Bridgman, Burwell	Zimmerman, Ont.	4	400	75
Mowbray, Jno. W.	Camden, East, Ont.	6	600	600
Haydon, Jas. S.	Camden East, Ont.	10	1,000	1,000
Ford, Edward	Omagh, Ont.	15	1,500	150
Fox, Robert W.	Omagh, Ont.	15	1,500	150
Ratz, John	Khiva, Ont.	10	1,000	400
Johnson, Harry F.	Boyne, Ont.	2	200	20
Fox, Robert W.	Omagh, Ont.	10	1,000	100
Hamilton, Alice	Milton, Ont.	10	1,000	1,000
Hume, Robert	Milton, Ont.	10	1,000	100
McLean, William	Milton, Ont.	5	500	50
McLean, Margaret D.	Milton, Ont.	5	500	50
Shortreed, Walter	Milton, Ont.	10	1,000	1,000
Rose, And. J.	Nairn, Ont.	2	200	120
Arnald, Agnes	Kingsville, Ont.	3	300	300
Chapman, H.H.	Brantford, Ont.	1	100	55
Amey, Elgin B.	Camden East, Ont.	2	200	200
Stover, Lewis H.	Caden East, Ont.	10	1,000	1,000
Dickson, Alex.	Camden East, Ont.	4	400	400
Stedman, N.	Camden East, Ont.	5	500	500
Parrott, Herman H.	Camden East, Ont.	4	400	400
Lynch, M. J.	Kingston, Ont.	5	500	500
Haydon, James A.	Camden East, Ont.	4	400	400
Osborn, Annie	Glenwilliams, Ont.	1	100	100
Sloan, W. J.	Glenwilliams, Ont.	5	500	500
Johnson, Caroline	Boyne, Ont.	1	100	100
Peddie, Jas. C.	Milton, Ont.	5	500	250
Porter, Alex.	Omagh, Ont.	5	500	50
Foster, H. A.	Lowville, Ont.	15	1,500	150
Gunby, Burdge	Kilbride, Ont.	50	5,000	2,000
Scott, Mary M.	Milton, Ont.	20	2,000	70
Walker, Wm. D.	Milton, Ont.	1	100	10
Downs, Edward W.	Drumquin, Ont.	25	2,500	650
Porter, Alex.	Omagh, Ont.	5	500	50
Cartwright, A.	Zimmerman, Ont.	10	1,000	1,000
Sinclair, W. G.	Zimmerman, Ont.	50	5,000	2,775
Edmonstone, Jas.	Balaclava, Ont.	2	200	120
Ford, Edward	Omagh, Ont.	10	1,000	100
Ford, David F.	Omagh, Ont.	10	1,000	1,000
Anderson, R. K.	Milton, Ont.	10	1,000	300
Grigg, Emma J.	New York, N. Y.	1	100	100
Brough, James	Springford, Ont.	5	500	500
Brough, Ida L.	Springford, Ont.	2	200	200
Randall, Claretta	Springford, Ont.	2	200	200
Fuller, Eliat	Thornhill, Ont.	5	500	150
Fuller, Eliat	Thornhill, Ont.	5	500	150
Smith, Mathew W.	Thornhill, Ont.	10	1,000	500
Sackrider, Chas.	Burgessville, Ont.	1	100	50

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Allin, Jessee	Holbrook, Ont	10	1,000	700
Topham, John	Burgessville, Ont	2	200	20
Sutherland, Sarah	Leamington, Ont	2	200	200
Ross, A. J	Nairn, Ont	1	100	60
Marshall, Jas	Glasgow, Scotland	5	500	500
Ferguson, George	Glasgow, Scotland	15	1,500	1,500
Murray, John	Embro, Ont	5	500	500
Murray, George	Embro, Ont	10	1,000	1,000
Lindsay, J. R	Georgetown, Ont	5	500	500
McCullough, R. C	Georgetown, Ont	5	500	500
Bowman, Wm	Georgetown, Ont	5	500	50
Logie, James	Nassagaweya, Ont	5	500	500
Peddie, John	Milton, Ont	5	500	500
Peddie, James	Milton, Ont	5	500	500
Wilson, Wm. G	Ashgrove, Ont	5	500	500
McCann, Rebecca	Omagh, Ont	5	500	500
Griffin, Joshua H	Burgessville, Ont	2	200	200
Siple, R. A	Burgessville, Ont	2	200	20
Hoard, William	Glenwilliams, Ont	5	500	50
Bennett, David H	Zimmerman, Ont	10	1,000	325
Scott, Alex. P	Brampton, Ont	2	200	20
Chapman, Jno. A	Sandwich, Ont	25	2,500	250
Brown, R. L	Georgetown, Ont	50	5,000	500
Edmonstone, Jas	Balaclava, Ont	4	400	240
Elliott, Robt. A	Milton, Ont	5	500	500
Laird, Geo	Ashgrove, Ont	10	1,000	500
Kennedy, G. A	Milton, Ont	10	1,000	100
McCallum, M	Ashgrove, Ont	2	200	100
Sinclair, D	Freeman, Ont	5	500	200
Commins, A. C	Burlington, Ont	5	500	250
Bingham, Jno	Georgetown, Ont	1	100	50
Leslie, J. T	Norval, Ont	2	200	20
Southcott, J	Grand Pond, Ont	1	100	100
Burland, G. B	Montreal, P.Q	150	15,000	2,000
Cartwright, Jno. A	Zimmerman, Ont	10	1,000	1,000
Chisholm, L. W	Limehouse, Ont	1	100	40
Davis, C. G	Freeman, Ont	10	1,000	1,000
Stork, Ira A	Mono Mills, Ont	1	100	100
Richardson, T. W	Glenwilliams, Ont	10	1,000	100
Standish, J. L	Esquesing, Ont	1	100	10
Near, Frederick S	Ballinafad, Ont	3	300	30
Campbell, Donald	Ballinafad, Ont	3	300	30
Hoare, Sarah	Glenwilliams, Ont	4	400	400
Brown, John K	Georgetown, Ont	20	2,000	200
McDonald, John	Acton, Ont	2	200	110
McDonald, Alex	Acton, Ont	3	300	30
Campbell, John	Glenwilliams, Ont	3	300	30
Stalker, John	Acton, Ont	2	200	200
Devean, Nathan M	Toronto, Ont	10	1,000	1,000
Devean, N. M	Toronto, Ont	190	19,000	19,000
Bowand, Bessie K	Walkerton, Ont	10	1,000	1,000
Thompson, David	Walkerton, Ont	20	2,000	1,880
Ford, Mary E	Omagh, Ont	2	200	200
Ford, Ida A	Omagh, Ont	5	500	500
Robinson, Margaret	Omagh, Ont	5	500	500
Gowan, Chas. W	Ballymote, Ont	1	100	100
Norris, Henry	Alliston, Ont	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Elliott, Thomas	Lowville, Ont	10	1,000	1,000
Alwin, Chas. S	Freeman, Ont	10	1,000	500
Robinson, George	Omagh, Ont	10	1,000	1,000
Downs, Albert J	Drumquin, Ont	25	2,500	250
Sinclair, Wm. G	Zimmerman, Ont	50	5,000	2,775
Ford, D. Frank Ford	Omagh, Ont	15	1,500	1,500
Tullis, Harry P	Glasgow, Scot	5	500	350
Starret, Margaret J	Glenwilliams, Ont	1	100	10
Simpson, Robert	Kilbride, Ont	10	1,000	1,000
Simpson, Mary Ann	Kilbride, Ont	5	500	500
Phillip, Annie	Kilbride, On	2	200	200
Bell, Robert	Zimmerman, Ont	10	1,000	1,000
Eaton, Allan	Mt. Nemo, Ont	100	10,000	7,500
Freeman, J. G	Box Grove, Ont	3	300	200
Newman, R. A	Detroit, Mich	50	5,000	5,000
Freeman, Helen	Box Grove, Ont	10	1,000	100
Thompson, Agnes	Terra Cotta, Ont	14	1,400	1,100
McMillan, Harriet L	Westmount, Que	5	500	500
Rae, James	Malcolm, Ont	10	1,000	1,000
Rae, Alexander	Malcolm, Ont	10	1,000	1,000
Rae, Betsy	Malcolm, Ont	10	1,000	1,000
Findlay, Robert	Malcolm, Ont	3	300	300
Macdonald, John	Markham, Ont	5	500	500
Meyer, Pauline V	Toronto, Ont	10	1,000	500
Pfister, John	Toronto, Ont	10	1,000	500
Sinclair, Grant W	Zimmerman, Ont	10	1,000	500
Krupp, Samuel	Caro, Mich	4	400	40
Shreve, Mary L	Caro, Mich	2	200	120
McClure, Samuel	Glenwilliams, Ont	5	500	225
Cook, Thomas	Ballinafad, Ont	1	100	10
Tolton, James	Walkerton, Ont	5	500	250
Little, John D	Walkerton, Ont	10	1,000	500
Robb, Elsie	St. George, Ont	5	500	50
Robb, William	St. George, Ont	20	2,000	400
McKechnie, John	Ballinafad, Ont	1	100	100
Morrison, Alfred	Ashgrove, Ont	1	100	10
Morrison, Hugh	Ashgrove, Ont	5	500	50
Near, Martin L	Erin, Ont	10	1,000	100
Hanna, William	Erin, Ont	2	200	200
Murray, George	St. Andrews, Scotland	5	500	500
Thompson, Elizabeth	Ballinafad, Ont	15	1,500	1,100
Wait, Christina	St. George, Ont	10	1,000	1,000
Sager, Sarah	St. George, Ont	10	1,000	1,000
Appleyard, Thos. E	Georgetown, Ont	1	100	100
Appleyard, Albert	Georgetown, Ont	1	100	100
Curry, Eliza R	Esquesing, Ont	1	100	100
Denny, Jos. H	Ballinafad. Ont	5	500	50
Kennedy, Paul S	Acton, Ont	2	200	20
Arkell, Peter	Teeswater, Ont	1	100	60
Wharton, Miss E	Teeswater, Ont	3	300	
Thomson, Malcolm	Walkerton, Ont	5	500	500
Allin, Jessee	Holbrook, Ont	5	500	50
Allin, Hiram	Ostrander, Ont	5	500	200
Allin, Nellie	Ostrander, Ont	5	500	200
Clement, Ethel P	Burgessville, Ont	1	100	50
Topham, John	Burgessville, Ont	1	100	50
Corless, John G	Burgessville, Ont	1	100	10

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Burgess, Charles E.	Burgessville, Ont.	1	100	10
Burwell, Matilda	London, Ont.	6	600	600
Burwell, Edward	London, Ont.	10	1,000	1,000
Baskett, Sarah	Ballymote, Ont.	1	100	100
Green, Arthur E.	St. George, Ont.	4	400	280
Kennedy, Thos. W.	Acton West, Ont.	1	100	10
Denny, Margaret	Ballinafad, Ont.	5	500	50
Watson, John	Acton West, Ont.	5	500	50
Lindsay, Ninan F.	Acton West, Ont.	5	500	50
Harris, William	Milton, Ont.	5	500	500
Ainslie, Mathew F.	Drumbo, Ont.	2	200	200
Ainslie, Mary J.	Drumbo, Ont.	2	200	200
Golding, Henry	Ingersoll, Ont.	10	1,000	1,000
Kinney, Lewis P.	Drumbo, Ont.	4	400	40
Weir, Andrew	Masonville, Ont.	2	200	20
Appleyard, Albert, sr.	Georgetown, Ont.	5	500	500
Lindsay, Jessie E.	Georgetown, Ont.	1	100	100
Gillson, Thos.	Masonville, Ont.	5	500	500
Monkman, John A.	Toronto, Ont.	6	600	600
Collins, Sophronia	St. George, Ont.	1	100	100
Coulson, John	Hornby, Ont.	1	100	100
Stafford, William.—.	Wallacetown, Ont.	2	200	80
Bobier, Alfred F.	Port Talbot, Ont.	2	200	200
Telford, John	Wallacetown, Ont.	2	200	200
Barber, Jessie	Fingal, Ont.	2	200	.....
Turner, James	Fingal, Ont.	1	100	10
Fulton, Velma	Fingal, Ont.	1	100	.....
Garbutt, Robt. G.	Wallacetown, Ont.	1	100	.....
Page, William	Fingal, Ont.	1	100	.....
Tubby, E. H.	Fingal, Ont.	1	100	100
Edmonds, Geo.	Fingal, Ont.	1	100	.....
Koehler, Ed.	Tyrconnell, Ont.	1	100	40
Crane, James W.	Wallacetown, Ont.	1	100	.....
Brush, Herschel D.	Fingal, Ont.	1	100	50
Casey, Thomas	Fingal, Ont.	1	100	.....
Cameron, John A.	Wallacetown, Ont.	1	100	10
Stevenson, W. E.	Fingal, Ont.	1	100	.....
Docker, Anna F.	Wallacetown, Ont.	3	300	300
Barnum, Wm. E.	Dutton, Ont.	1	100	40
Bobier, James	Wallacetown, Ont.	1	100	100
Clay, Cleve B.	Wallacetown, Ont.	1	100	10
Watkins, James	Port Talbot, Ont.	1	100	100
Fitch, William	Port Talbot, Ont.	1	100	100
Burwell, Samuel E.	Fingal, Ont.	2	200	200
Barnes, Martha	Ash, Ont.	1	100	100
Husband, Geo. E.	Ash, Ont.	10	1,000	100
Horn, Thomas	Ash, Ont.	1	100	10
Husband, Robt. W.	Ash, Ont.	10	1,000	100
Witham, S. F.	Brantford, Ont.	20	2,000	200
Shaver, Wm. J.	Toronto, Ont.	20	2,000	2,000
Shaver, A. Rolph	Toronto, Ont.	10	1,000	1,000
Hoover, A. H.	Toronto, Ont.	50	5,000	.....
Graham, W. A.	Wallacetown, Ont.	1	100	30

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THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Bobier, R.	Pt. Talbot, Ont.	1	100	100
Dromoyle, H.	Wallacetown, Ont.	1	100	
Bobier, Joseph	Dutton, Ont.	5	500	500
Heeks, Henry	Palermo, Ont.	10	1,000	100
Foster, Thomas	Brantford, Ont.	3	300	60
Hazell, Horace	Hamilton, Ont.	5	500	50
Irving, W. A.	Tansley, Ont.	5	500	50
Townsend, Josiah	Terra Cotta, Ont.	1	100	100
Nixon, John F.	Ashgrove, Ont.	2	200	200
McKerlie, Marshall	Pt. Nelson, Ont.	40	4,000	4,000
Hartman, Chas. H.	Hamilton, Ont.	2	200	20
Gow, Peter	Wallacetown, Ont	1	100	30
Bobier, David	Pt. Talbot, Ont.	2	200	200
Garner, Thomas	Palermo, Ont.	5	500	50
Burtch, David	Palermo, Ont.	4	400	400
Burtch, Mary J.	Palermo, Ont.	2	200	200
Dearling, John	Palermo, Ont.	1	100	10
Kirkpatrick, Wm.	Burgessville, Ont.	1	100	10
Thompson, Annie S.	Ashgrove, Ont.	2	200	200
Morrison, Loretta	Ashgrove, Ont.	2	200	200
Lindsay, W. J.	Toronto, Ont.	500	50,000	5,000
McKee, Geo.	Wallacetown, Ont	1	100	100
Blue, Dugald	Wallacetown, Ont	1	100	
McGeachy, John A.	Iona, Ont.	4	400	400
Patterson, Lewis	Palermo, Ont.	3	300	300
Alexander, John	Palermo, Ont.	8	800	800
Wood, Will S.	Palermo, Ont.	1	100	100
Wilkinson, Geo. H.	Palermo, Ont.	1	100	50
Bennett, W. J.	Dundas, Ont.	5	500	150
McCallum, Dugald	Adrian, Ont.	2	200	200
Church, Ephraim	Iona, Ont.	1	100	.....
Preston, Bert C.	Armada, Ont.	5	500	500
Wettlaufer, J. B. R.	Palermo, Ont.	2	200	20
Brush, Herschel D.	Fingal, Ont.	1	100	60
Bobier, Sarah J.	Pt. Talbot, Ont.	1	100	100
Edmonds, Geo. or Cora or surv	Fingal, Ont.	1	100	.....
Turner, Frank E.	Bracondale, Ont.	10	1,000	.....
McCallum, Dugald	Adrian, Mich.	1	100	100
Taylor, George E.	Paris Station, Ont.	5	500	50
Bobier, Harry	Pt. Talbot, Ont.	1	100	100
McIntyre, Duncan	Fingal, Ont.	1	100	100
Anderson, Martha	Fingal, Ont.	2	200	20
Bobier, A. F.	Pt. Talbot, Ont.	3	300	300
Edmonds, Geo. or Cora	Fingal, Ont.	3	300	.....
Casey, Thomas	Fingal, Ont.	1	100	.....
McIntyre, Donald	Boxall, Ont.	2	200	.....
Mitchell, Thomas	Ash, Ont.	1	100	10
Newman, Walter T.	Vancouver, B.C.	5	500	50
Burwell, Edward	London, Ont.	90	9,000	9,000
McIntyre, Colvin A.	Fingal, Ont.	2	200	20
Bobier, Sarah J.	Pt. Talbot, Ont.	1	100	100
Strong, George	Wallacetown, Ont.	1	100	10
Bobier, Hattie	Pt. Talbot, Ont.	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			$	$
Davison, Mathew	Flint, Mich	50	5,000	
Smith, Flint P	Flint, Mich	50	5,000	
Cook, Edward	Leamington, Ont	3	300	30
Cook, Richard	Leamington, Ont	2	200	20
Walker, Peter M	Milton, Ont	1	100	
Stewart, Neil	Milton, Ont	25	2,500	
Murray, James	Mansewood, Ont	25	2,500	
Hirst, Edward	Campbellville, Ont	10	1,000	1,000
Cunningham, Lizzie	Hornby, Ont	3	300	300
Coulson, Maggie	Hornby, Ont	1	100	100
Elseley, Charles A	Campbellville, Ont	5	500	250
Menzie, R. L	Kelso, Ont	1	100	100
Menzie, Wm	Kelso, Ont	1	100	50
Weir, Eliza A	Kelso, Ont	5	500	500
Cairns, Samuel	Campbellville, Ont	2	200	200
Miller, John	Leamington, Ont	5	500	500
Sprowl, Mrs. Wm	Acton, Ont	3	300	300
Sprowl, Wm	Acton, Ont	3	300	300
Hanley, John	Milton, Ont	1	100	100
Honeywill, E. H	Mallinafad, Ont	25	2,500	2,500
McClure, Samuel	Glenwilliams, Ont	5	500	225
Stair, Fred. W	Toronto, Ont	100	10,000	1,000
Bastedo, Ida A	Milton, Ont	5	500	50
Haist, Aaron Y	Stratford, Ont	4	400	400
Ford, James	Omagh, Ont	2	200	20
Snelgrove, E. W	Brighton, Ont	10	1,000	1,000
Symons, W. L	Toronto, Ont	10	1,000	100
Patterson, Earnest	Palermo, Ont	1	100	25
Beaty, Ella M	Milton, Ont	2	200	20
Bobier, Jos. or Jane	Dutton, Ont	5	500	500
Dewar, John	Fingal, Ont	1	100	
McCurdy, Robert	Hornby, Ont	1	100	100
Brill, S. R	Teeswater, Ont	2	200	200
Davidson, J. A	Milton, Ont	1	100	
Campbell, A	Mountsberg, Ont	2	200	50
Beattie, M	Campbellville, Ont	5	500	
Nesbitt, William B	Toronto, Ont	100	10,000	3,000
Lown, A. S	Toronto, Ont	1	100	10
Hunter, W. H	Toronto, Ont	1	100	10
Macorquodale, D. S	Toronto, Ont	1	100	
Wood, W. R	Toronto, Ont	1	100	10
Macorquodale, B. E	Toronto, Ont	1	100	
Macorquodale, F. D	Toronto, Ont	1	100	
Parmenter, L. S	Flushing, N. Y	1	100	30
Fitzgibbon, J. G	Toronto, Ont	1	100	
Latch, Emma	Toronto, Ont	8	800	800
Wilson, Maggie E	Toronto, Ont	5	500	500
Gallagher, James	Toronto, Ont	1	100	10
Thomas, A. Wm	Toronto, Ont	10	1,000	
Luxton, A. G. H	Milton, Ont	10	1,000	
Bradley, A. B	Georgetown, Ont	10	1,000	
Linton, Adam	Guelph, Ont	10	1,000	100
Richardson, George	Toronto, Ont	1	100	10
Mitchell, J. W	Toronto, Ont	1	100	
Gilchrist, John	Toronto, Ont	30	3,000	3,000

N.B.—Of the foregoing the following were received subsequent to October 22, 1906.

Name.	Residence.	No. Shares	Amount	Amount Paid.
			$	$
Latch, Emma	Toronto, Ont.	8	800	800
Linton, Adam	Guelph, Ont.	10	1,000	100
Wilson, Maggie E.	Toronto, Ont.	5	500	500
Gallagher, James	Toronto, Ont.	1	100	10
Thomas, A. W.	Toronto, Ont.	10	1,000	.....
Richardson, George	Toronto, Ont.	1	100	10
		35	3,500	1,420

The foregoing is certified to be a true copy of the share list of the Farmers' Bank of Canada.

W. R. TRAVERS,
General Manager.

COPY

'E' CANADA GAZETTE.

THE FARMERS' BANK OF CANADA.

To the subscribers of the capital stock of the Farmers' Bank of Canada:—

Public notice is hereby given that a meeting of the subscribers to the capital stock of the Farmers' Bank of Canada will be held on Monday, the twenty-sixth day of November, 1906, at ten o'clock in the forenoon, at Room No. 103, Stair Building, corner Bay and Adelaide streets, in the City of Toronto, in the Province of Ontario.

The business of the meeting will be:—

To determine the day on which the annual general meeting of the bank is to be held.

To elect such number of directors duly qualified under the Bank Act as the subscribers may think necessary, who shall hold office until the annual general meeting of the year next succeeding their election.

To fix the quorum for a meeting of the directors, which shall be not less than three.

To fix the directors' qualifications subject to the provisions of the Bank Act.

To fix the method of filling vacancies in the board of directors whenever the same occur during each year.

To fix the time and proceedings for the election of the directors in case of the failure of any election on the day appointed for it.

To determine when to close the stock books for subscription of the bank's stock by the public at par.

To prescribe the record to be kept of proxies and the time not exceeding thirty days within which proxies must be produced and recorded prior to any subsequent meeting in order to enable the holder to vote thereat.

And to regulate such other matters by by-law as the shareholders may regulate pursuant to the terms of section 18 of the Bank Act.

By order of the provisional directors.

W. R. TRAVERS,
Provisional General Manager.

C. H. SMITH,
Secretary of the Provisional Board of the Farmers' Bank of Canada.

Dated at Toronto, 18th October, 1906.

In the matter of The Bank Act and amendments and of the Farmers' Bank of Canada. This is Exhibit 'F' to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Com., &c.

THE FARMERS' BANK OF CANADA.

To the Subscribers of the Capital Stock of The Farmers' Bank of Canada.

Public Notice is hereby given that a meeting of the subscribers to the Capital stock of the Farmers' Bank of Canada, will be held on Monday, the Twenty-sixth day of November, 1906, at ten o'clock in the forenoon, at Room No. 103, Stair Building, corner Bay and Adelaide streets, in the city of Toronto, in the Province of Ontario. The business of the meeting will be: To determine the day on which the annual general meeting of the Bank is to be held; to elect such number of directors duly qualified under the Bank Act as the subscribers may think necessary, who shall hold office until the annual general meeting of the year next succeeding their election; to fix the quorum for a meeting of the directors, which shall be not less than three; to fix the directors' qualifications, subject to the provisions of the Bank Act; to fix the method of filling vacancies in the Board of Directors whenever the same occur during each year; to fix the time and proceedings for the election of directors in case of the failure of any election on the day appointed for it; to determine when to close the stock books for subscription of the bank's stock by the public at par; to prescribe the record to be kept of proxies and the time, not exceeding thirty days, within which proxies must be produced and recorded prior to any subsequent meeting in order to enable the holder to vote thereat; and to regulate such other matters by by-law as the shareholders may regulate, pursuant to the terms of section 18 of the Bank Act.

By order of the Provisional Directors.

W. R. TRAVERS,
Provisional General Manager.

C. H. SMITH,
Secretary of Provisional Board of Directors, Farmers' Bank of Canada.

Dated at TORONTO, October 23, 1906.

FINANCE DEPARTMENT, OTTAWA, CANADA,

28th November, 1906.

E. L. NEWCOMBE, ESQ., K.C.,
Deputy Minister of Justice,
Ottawa.

DEAR SIR,—I beg to inclose herewith a file of papers being an application from the Farmers' Bank of Canada for a certificate to commence business under section 13-17 of the Bank Act.

Kindly advise me if on the papers submitted such a certificate may legally issue.

T. C. BOVILLE,
Deputy Minister of Finance.

DEPARTMENT OF JUSTICE OF CANADA,

OTTAWA, 28th November, 1906.

The Deputy Minister of Finance,
Ottawa.

SIR,—I have the honour to acknowledge receipt of your letter of the 28th instant, and of the inclosed papers, being the application from the Farmers' Bank of Canada for a certificate to commence business, under section 13-17 of the Bank Act, and papers in support thereof.

You ask me to advise you if on the papers submitted such certificate may legally issue.

In reply, I beg to state that the statements in the statutory declaration of Mr. Walter R. Travers are sufficient, if they are accepted, to show compliance with the statutory provisions, and that the evidence thus afforded is such as the Treasury Board may lawfully accept under the Act, and thereupon issue to the bank a certificate under section 14 of the Act.

Papers returned herewith.

E. L. NEWCOMBE,
Deputy Minister of Justice.

MINISTER OF FINANCE, CANADA,

OTTAWA, November 30th, 1906.

W. R. TRAVERS, ESQ.,
General Manager of the Farmers' Bank of Canada,
Russell House, Ottawa.

DEAR SIR,—I regret that owing to pressing engagements yesterday, arising out of the Budget, I was unable to meet you to consider your application for the issue of a certificate to authorize the Farmers' Bank of Canada to commence business. I shall be glad to see you to-day, at my office, at any time before one o'clock if you can call. Or I might be able to see you later, between four and five, at the House of Commons, if that will be more convenient.

There is a phase of the matter which I should like to bring to your notice so that you may consider it at once. It has been represented to us that in some previous instances where an application was in all respects apparently regular, there was actually an evasion of the intention of the Bank Act in relation to the paid-up capital. We have been told that in some cases the subscribers did not actually pay in cash but gave notes to the provisional directors which were used to raise the money. On account of information of this kind, which has reached us in relation to a previous case, we deem it proper to scan very closely every application for a certificate which comes to us. I shall be glad to have an assurance that nothing of the kind has taken place in relation to the subscriptions for the Farmers' Bank, but that the amounts set forth in the application as having been paid up have in every case been bona fide cash payments.

W. S. FIELDING,
Minister of Finance.

OTTAWA, November 30, 1906.

The Hon. W. S. Fielding,
Minister of Finance, Ottawa, Ont.

DEAR SIR,—In reply to your letter of the 30th of November, I have to say that in the case of the Farmers' Bank of Canada, the provisional directors did not raise

the money in the way mentioned by you. You will find the statement put in by me absolutely correct as to the amount of stock subscribed and the amount paid up.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada.

EXTRACT from the minutes of a meeting of the Honourable the Treasury Board, held at Ottawa, on the thirtieth day of November, 1906.

Treasury Board.—The Board had under consideration an application made by the Farmers' Bank of Canada under the provisions of the Bank Act for the issue by the Treasury Board of a certificate permitting the said bank to issue notes and commence the business of banking.

It having been shown to the satisfaction of the Board that all the requirements of section 15 of the said Act have been complied with the Board authorize the issue of the certificate applied for.

T. C. BOVILLE,
Secretary.

TREASURY BOARD, OTTAWA, November 30, 1906.

CERTIFICATE.

This is to certify that the Treasury Board, at a meeting held on the thirtieth day of November, A.D., 1906, authorized the issue of a certificate under the provisions of the Bank Act permitting the Farmers' Bank of Canada to issue notes and commence the business of banking, and this certificate is hereby issued in accordance with such authority and for the purposes above mentioned.

Dated at Ottawa, this thirtieth day of November, A.D., 1906.

T. C. BOVILLE,
Secretary of the Treasury Board.

FINANCE DEPARTMENT,

OTTAWA, CANADA, 30th November, 1906.

W. R. TRAVERS, ESQ.,
General Manager,
Farmers' Bank of Canada,
Toronto.

SIR,—Referring to your letter of the 27th instant to the address of the Deputy Minister of Finance applying for the certificate of the Treasury Board entitling the Farmers' Bank of Canada to commence the business of banking, I beg to hand you herewith a certificate issued under the authority of the Treasury Board, in accordance with the provisions of the Bank Act, permitting the Farmers' Bank of Canada to issue notes and commence the business of banking.

Having reference to the deposit of $250,000 paid to the Minister of Finance and Receiver General under section 13 of the Bank Act, I beg to hand you herewith Finance Department cheque on the Bank of Montreal, Ottawa, in favour of the Farmers' Bank of Canada for $245,000.

The balance of $5,000 is retained as a deposit in 'The Bank Circulation Redemption Fund' in accordance with the provisions of sub-section 3 of section 54 of the Bank Act.

T. C. BOVILLE,
Deputy Minister of Finance.

30th November, 1906.

Received from the Minister of Finance and the Receiver General cheque for the sum of two hundred and forty-five thousand dollars payable to the order of the Farmers' Bank of Canada in accordance with section 17 of the Bank Act.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada.

CANADIAN BANKERS' ASSOCIATION, INCORPORATED 1900,

MONTREAL, November 30, 1906.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa.

Farmers' Bank of Canada.

DEAR SIR,—In connection with the application of the Farmers' Bank of Canada for the usual certificate from the Treasury Board, I have reason to believe that the money lodged, or to be lodged, at Ottawa as stock subscriptions, cannot be regarded as paid-up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan made upon the promise of its payment when returned by your Department.

Permit me to request that, if only for the protection of the public, the Treasury Board will exercise its right to refuse to issue a certificate if it thinks best so to do, until a thorough investigation has been made into the circumstances stated herein.

E. S. CLOUSTON,
President.

FINANCE DEPARTMENT, OTTAWA, CANADA,

December 3, 1906.

E. S. CLOUSTON, ESQ.,
President Canadian Bankers' Association,
Montreal, P.Q.

Dear Mr. CLOUSTON,—I beg to acknowledge the receipt of your letter of the 30th ultimo, respecting the Farmers' Bank of Canada. I note what you state with regard to the money paid in under section 13 of the Bank Act.

In view of the published reports in the newspapers, of some litigation in connection with the subscriptions to the capital of this bank, the matter has had the careful attention of the Department, and some time ago the general manager of the bank was communicated with to the effect that when applying for the certificate to commence business, in addition to the list of subscriptions to the extent of a half million required by the Bank Act, the statement should contain also the actual amount of cash paid up by each subscriber on his subscription. On the 29th ultimo application, in due form, was made by the bank for the certificate permitting it to commence the business of banking. The application was accompanied by the usual

documents and also by a list of the subscriptions of cash paid in by each subscriber. The list itself covers over 500 names and nothing therein appeared calling for any particular comment. From the statutory declaration of the general manager I quote the following paragraphs:—

> 4. On the twenty-third day of October, 1906, there had been actually bona fide subscribed five thousand seven hundred and fifty-seven shares of the capital stock of the Farmers' Bank of Canada, and I have had personal knowledge of the applications and subscriptions, and each and all of the said subscriptions is and are on the printed form of application—a copy of which is now produced and marked Exhibit 'C,' to this my declaration, and that the said subscription appeared on the stock books of the said bank, and that a sum beyond $250,000 thereof in cash has been actually paid in by the subscribers of the same.
>
> 5. Now shown to me and marked Exhibit 'D' to this my declaration is a list of the subscribers of the capital stock of the said bank correctly setting forth as to each subscription the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares and the amount paid in thereon. Each of the said subscriptions is a bona fide subscription to the capital stock of the said bank.

I previously had some conversation with Mr. Fielding, who was very busy in connection with the preparation of the Budget speech, with regard to this application. But on Friday last, the day after the delivery of the Budget speech, Mr. Travers, the general manager, had an interview with him. In the course of this interview that gentleman gave a most positive assurance that 'not a dollar' of the amount deposited had been borrowed. For the purpose of record Mr. Fielding wrote Mr. Travers a letter, of which I inclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case bona fide cash payments. I inclose a copy of Mr. Travers' reply.

Under these circumstances there did not seem to be any warrant for the withholding of a certificate under section 14 of the Act, accordingly, a certificate was issued on the 30th ultimo.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

MILTON, April 17, 1907.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa.

DEAR SIR,—Will you kindly give me your opinion as to the following: Our general manager sends to the different branches lists of notes given in payment of our capital stock. These notes he makes the managers put through as discounts, crediting the amount to H.O. This is figured in the government return as paid up capital and circulation issued to that amount. If I read the Bank Act correctly, section 76, he is asking us to do what is not right. As I do not wish to do anything contrary to the law I should be much obliged if you give me the ruling on it. With many apologies for troubling you.

G. VANKOUGHNET,
Manager.

P.S.—When answering please address to 68 Howard avenue, Toronto, and oblige.

FINANCE DEPARTMENT,

OTTAWA, May 1, 1907.

G. VANKOUGHNET, ESQ.,

68 Howard Avenue,
Toronto.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 17th ultimo.

I must apologize for the delay in replying. Parliamentary business at this time in the session takes precedence over other duties.

While it is not deemed expedient to enter into correspondence at this stage, the matter referred to by you is of sufficient importance to warrant further inquiry. This will shortly be made. I should like to have a copy of any of the notes.

T. C. BOVILLE,
Deputy Minister of Finance.

FINANCE DEPARTMENT,

OTTAWA, May 2, 1907.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada,
Toronto, Ont.

SIR,—I am directed by the Honourable the Minister of Finance to call for a special return of your bank showing:—

1. What portion, if any, of the $375,473 paid up capital of the bank, as per return of liabilities and assets of March 30, 1907, is represented by promissory notes or other obligations of shareholders or the proceeds of the same of which the bank is the holder or is liable thereon.

2. The names and holdings of stock shareholders, if any, with particulars of such notes or obligations now current.

In this connection let me draw your attention to sub-sections 2 and 3 of section 113 of the Bank Act. I should be very much obliged to have this information at your very earliest convenience.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

MILTON, May 3, 1907.

T. C. BOVILLE, ESQ.,

Deputy Minister of Finance,
Ottawa.

DEAR SIR,—I have received your letter of 1st instant and inclose as requested one of the notes which I referred to in my letter to you of 17th ult.; when we

renewed these notes we dated them 2nd Jany., '07, or later, and made them payable at this office.

The amount under discount at this office 30th April was about $111,885.

G. VANKOUGHNET.

Address 68 Howard avenue, Toronto, when replying.

Due June 30, '07.

TORONTO, June 27, 1906.

$4,500.00.

Twelve months after date I promise to pay to the order of the Provisional Directors of

The Farmers Bank of Canada

Forty-five hundred .....Dollars at the office of the Farmers' Bank of Canada, Toronto, for value received.

.....46

Endorsement as follows:—

Pay to the order of W. R. Travers,
John Ferguson,
Alex. Fraser,
Jas. Gallagher,
A. L. Lown,
John Watson,
Without recourse.
per W. R. Travers,
Attorney.

W. R. TRAVERS,

THE FARMERS' BANK OF CANADA,

TORONTO, May 7, 1907.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I beg to acknowledge receipt of your favour of the 2nd calling for a special return from this bank, which will have our careful attention in a day or two. The president is out of the city, but I expect him back this week.

W. R. TRAVERS.
General Manager.

THE FARMERS' BANK OF CANADA,

TORONTO, May 11, 1907.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have the honour to inclose herewith return of the liabilities and assets of this bank to the 30th of April last and also the special return asked for in your letter of May 2.

W. R. TRAVERS,
General Manager.

FINANCE DEPARTMENT,

OTTAWA, December 3, 1908.

Sir EDWARD CLOUSTON,

President Canadian Bankers' Association,
Montreal, P.Q.

DEAR SIR EDWARD CLOUSTON,—Mr. Knight telephoned me to-day with regard to the Farmers' Bank and a reported proposed transaction in connection with the sale of a large amount of stock. I have examined the bank's returns for some months past and I find in March last that the subscribed capital of the Farmers' Bank increased from $638,700 in February to $1,000,000 in March. The paid up capital from that time until the present has increased, but not very materially.

In view of Mr. Knight's message I thought it well, under section 113 of the Bank Act, to call for a special return showing the names and addresses of the new subscribers, the amounts subscribed and the amounts paid in on account thereof to date; also information with regard to any transfers which have taken place between that time and the present. This information may be of interest and of use to the department, and, so far as I can ascertain from the Bank Act, is as far as I have any authority to go.

T. C. BOVILLE,
Deputy Minister of Finance.

Telegram.

OTTAWA, December 3, 1908.

Sir EDWARD CLOUSTON,

Bank of Montreal,
Montreal.

Referring to Knight's message, special return called for respecting increase in subscribed stock March last.

T. C. BOVILLE.

FINANCE DEPARTMENT,

OTTAWA, December 3, 1908.

W. R. TRAVERS, ESQ.,

General Manager, Farmers' Bank of Canada,
Toronto.

DEAR SIR,—For the Minister of Finance I beg leave to ask you to furnish a special return under section 113 of the Bank Act, such return to state:—

(*a*) Names and addresses of subscribers to capital stock of the Farmers' Bank of Canada whereby the subscribed capital stock of the bank was increased from $638,700 (the amount indicated by the monthly return of the bank in February, 1908) to $1,000,000 (the amount indicated by the monthly return for March, 1908), together with the number of shares subscribed for by the respective subscribers and the amounts paid in in cash by each on account thereof to this date.

(*b*) Names and addresses of any and all transferees of any and all shares referred to in (*a*) together with the number of shares held by such transferees.

T. C. BOVILLE,
Deputy Minister of Finance.

Telegram.

MONTREAL, Que., December 3, 1908.

T. C. BOVILLE,

Deputy Minister of Finance,
Ottawa, Ont.

Would suggest suggest asking party named to telegraph exact figures of paid-up capital for thirtieth November.

JOHN KNIGHT.

Telegram.

OTTAWA, Dec. 4, 1908.

W. R. TRAVERS, General Manager, Farmers' Bank, Toronto.

Referring my letter of yesterday wire me exact figures of subscribed and paid-up capital for thirtieth November.

T. C. BOVILLE.

Telegram.

TORONTO, Ont., Dec. 4, 1908.

T. C. BOVILLE,

Deputy Minister of Finance,
Ottawa.

Subscribed capital one million dollars; paid-up five hundred and forty-one thousand eight hundred and eighty-one dollars.

W. R. TRAVERS.

Telegram.

OTTAWA, Dec. 4, 1908.

JOHN KNIGHT,

Secretary, Canadian Bankers' Association,
Montreal.

Referring to your message received this morning exact figures for thirtieth November are five hundred and forty-one thousand eight hundred and eighty-one dollars.

HENRY T. ROSS.

CANADIAN BANKERS' ASSOCIATION,

MONTREAL, December 4, 1908.

T. C. BOVILLE, ESQ.,

Deputy Minister of Finance,
Ottawa.

Farmers' Bank of Canada.

Dear Mr. BOVILLE,—I am in receipt of your letter of 3rd inst. In transferring you, by 'phone, to Mr. Stavert, I was actuated by a desire to let him hear directly

from you the intentions of your department. He is frequently in Toronto, is a close student of affairs of interest to the united banks, and has rendered valuable service to the Association.

JOHN KNIGHT,

FINANCE DEPARTMENT,

OTTAWA, Dec. 5, 1908.

JOHN KNIGHT, ESQ.,
Secretary, Canadian Bankers' Association,
Montreal, P.Q.

Dear Mr. KNIGHT,—I have your letter respecting the Farmers' Bank.

At the suggestion of yourself and Mr. Stavert I telegraphed the Farmers' Bank, and of the information resulting from that telegram you are now in possession. If there are any developments which you think should be brought to my notice, I shall be very glad to hear from you.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

TORONTO, December 4, 1908.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa.

DEAR SIR,—I received your telegram of to-day and wired as follows: 'Subscribed Capital $1,000,000, Paid-up Capital $541,881.

This request strikes me as being rather strange considering that our statement to the 30th of November would be mailed in a few days. It must really be that some enemies of this bank are bringing some influence to bear upon the Department to try to injure this bank. Permit me to say that our affairs are in as good shape, or perhaps better for the size of the bank, than any other in Canada.

Should the public become aware that the department was asking for special statements from time to time, there being no earthly reason for them, serious trouble could not but ensue to this bank, and those to blame would have to accept the responsibility.

W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA,

TORONTO, December 12, 1908.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa.

DEAR SIR,—In reply to yours of the 3rd, I have the honour to hand you herewith the special statement called for therein, and also the Return of the Liabilities and Assets of this bank to the 30th of November.

W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA.

Statement under Section 113, *Bank Act.*

HORACE CHEVRIER
JOHN T. HUGGARD
J. F. LANGAN
} Trustees, The Continental Security Co., Winnipeg.

Agreed to take either by allotment or transfer 5,100 shares, $510,000, which was made up as follows:—

	Shares			
Unsubscribed capital by allotment..	3,613	$361,300		
Subscriptions cancelled by Board under Sec. 37 of the Bank Act, upon which no payments were made, and allotted..	774	77,400		
Total by allotment..	4,387	$438,700		
By transfer from various shareholders	713	71,300	upon which was paid	$59,300
	5,100	$510,000		
These have since been transferred as follows:				
John Tevis, Louisville, Ky... ..	1,120	$112,000	upon which is paid	$112,000
Melville D. Chapman, New York	30	3,000	upon which is paid	3,000
" " (In trust)..	3,850	385,000		
W. R. Travers	100	10,000		
	5,100	$510,000		$115,000

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

J. FITZGIBBON,
Chief Accountant.

W. R. TRAVERS,
General Manager.

JAMES MUNRO,
President.

TORONTO, December 12, 1908.

SPECIAL RETURN—THE FARMERS' BANK OF CANADA.

Called for by the Honourable Minister of Finance in letter of May 2, 1907.

1. The portion of the $375,473 paid up capital of the Bank, as per Return of March 30, 1907, represented by Promissory Notes of the Shareholders, held by the Bank, amounts to $59,110.

2. The following is a list of the notes:—

Name.	Address.	Occupation.	No. Shares.	Amount.	Amount Note.	Date.	Payable.	Due Date.
				$ cts.	$ cts.			
Andrews, J. W.	Milton	Farmer	2	200 00	180 00	Jan. 2	On June 1	June 4
Alderson, Thomas	"	"	5	500 00	450 00	" 2	" May 26	May 29
Brown, R. L.	Georgetown	"	50	5,000 00	4,500 00	Feb. 27	4 months	June 30
Bell, G. A.	Lowville	"	7	700 00	630 00	" 28	On June 2	" 5
Bastedo, Ida A.	Milton	M. woman	5	500 00	450 00	Jan. 2	" Dec. 1	Dec. 4
Bennett, D. H.	Zimmerman	Farmer	10	1,000 00	675 00	" 2	" Apr. 16	Apr. 19
Bridgman, B.	"	"	5	500 00	360 00	" 2	" June 1	June 4
Bunt, Rev. W. T.	Springford	Clergyman	1	100 00	60 00	" 2	6 months	July 5
Bunt, Rev. W. T.	"	"	1	100 00	80 00	" 2	12 "	Jan. 5
Bingham, J.	Georgetown	Farmer	1	100 00	90 00	" 2	7 "	Aug. 5
Campbell, D.	Ballinafad	"	3	300 00	270 00	" 2	6 "	July 5
Campbell, J.	Glenwilliams	"	3	300 00	270 00	" 8	6 "	" 11
Clement, E.	Burgessville	Book-keeper	1	100 00	50 00	" 2	6 "	" 5
Clement, M.	Milton	Sheriff	5	500 00	450 00	" 2	On July 28	" 31
Coulson, W. J.	Kilbride	Farmer	5	500 00	450 00	" 2	" " 1	" 4
Coulson, John	"	"	25	2,500 00	2,050 00	" 2	" " 1	" 4
Downs, E. W.	Drumquin	"	25	2,500 00	1,850 00	" 2	" June 16	June 19
Downs, A. J.	"	"	25	2,500 00	2,250 00	" 2	" May 1	May 4
Darling, R. A.	Mansewood	"	5	500 00	450 00	" 2	" Aug. 1	Aug. 4
Eaton, A.	Mt. Nemo	"	100	10,000 00	2,500 00	Mar. 31	" July 11	July 14
Ford, J. A.	Omagh	"	5	500 00	450 00	Jan. 2	" May 10	May 13
Ford, J. F.	"	"	50	5,000 00	4,800 00	" 2	" June 3	June 6
Ford, E.	"	"	25	2,500 00	2,250 00	Mar. 13	" 15	" 18
Ford, J.	Boyne	"	50	5,000 00	4,800 00	Jan. 2	" May 17	May 20
Foster	Lowville	"	15	1,500 00	1,350 00	" 2	" June 8	June 11
Fox, R. W.	Omagh	"	25	2,500 00	2,250 00	" 2	" " 15	" 18
Galloway, C. E.	Milton	Drover	5	500 00	450 00	" 2	" May 25	May 28
Gunby, B.	Kilbride	Farmer	50	5,000 00	950 00	Mar. 8	" July 1	July 4
Haseltime, William	Rothsay	"	10	1,000 00	700 00	" 12	6 months	Sept. 15
Hume, John	Scotch Block	"	5	500 00	450 00	Feb. 27	On June 2	June 5

Name.	Address.	Occupation.	No. Shares.	Amount.	Amount Note.	Date.	Payable.	Due Date.
				$ cts.	$ cts.			
Husband, G. E.	Ash	Farmer	10	1,000 00	900 00	Jan. 2.	On Apr. 16.	Apr. 19
Husband, R. W.	"	"	10	1,000 00	900 00	" 2.	" " 10.	" 13
Heeks, Henry	Palermo	"	10	1,000 00	900 00	" 2.	" " 10.	6 " 13
Irving, John	Milton	Grain buyer	5	500 00	450 00	" 2.	" May 9.	May 12
Joyce, C.	Mansewood	Farmer	5	500 00	450 00	Jan. 3.	" Aug. 1.	Aug. 4
Kennedy, W. N.	Hornby	"	5	500 00	250 00	" 2.	" May 28.	May 31
Kennedy, G. A.	Milton	"	10	1,000 00	900 00	" 2.	" July 1.	July 4
Kerr, John	"	"	50	5,000 00	2,000 00	Mar. 27.	" May 1.	May 4
Kirkpatrick, W.	Burgessville	"	1	100 00	90 00	Jan. 2.	6 months.	July 5
Morrison, A.	Ashgrove	"	1	100 00	90 00	" 2.	On Aug. 28	Aug. 31
Morrison, H.	"	"	5	500 00	450 00	" 2.	" July 23.	July 26
McGregor, C. D.	Milton	"	5	500 00	350 00	" 2.	" June 4.	June 7
McCann, E., jr.	Omagh	"	10	1,000 00	900 00	" 2.	" July 30.	Aug. 2
McKinnon, B. P.	Finch	"	10	1,000 00	500 00	Mar. 21.	6 months.	Sept. 24
Panton, William	Milton	Publisher	10	1,000 00	500 00	Jan. 7.	3 "	Apr. 10
Patterson, E.	Palermo	Farmer	1	100 00	75 00	" 2.	On June 8.	June 11
Peddie, J. C.	Milton	"	5	500 00	250 00	" 2.	" 9.	" 12
Powell, H. H.	Lowville	"	30	3,000 00	1,350 00	" 2.	" May 5.	May 8
Ratz, John	Khiva	Lumberman	10	1,000 00	300 00	Mar. 1.	2 months.	" 4
Richardson, T. W.	Glenwilliams	Farmer	10	1,000 00	900 00	Jan. 2.	8 "	Sept. 5
Scott, W. N.	Milton	"	50	5,000 00	3,500 00	Mar. 27.	On May 4.	May 7
Scott, Mary M.	"	Spinster	30	3,000 00	2,900 00	Jan. 2.	" June 9.	June 11
Sinclair, W. G.	Zimmerman	Farmer	100	10,000 00	3,450 00	" 21.	" " 15.	" 18
Sanders, W. H.	Tillsonburg	"	5	500 00	250 00	" 2.	6 months.	July 5
Starrett, M. J.	Glenwilliams	"	1	100 00	90 00	" 9.	6 "	" 12
Thompson, Agnes	Terra Cotta	"	14	1,400 00	300 00	Mar. 20.	4 "	" 23
			.....	92,700 00	59,110 00			

We declare that the foregoing return is made up from the books of the Bank, and that to the best of our knowledge and belief it is correct.

W. BEATTIE NESBITT, *President.*
W. R. TRAVERS, *General Manager.*

I declare that the above return has been prepared under my directions and is correct according to the books of the Bank.

TORONTO, ONT., this 10th day of May, 1907.

J. FITZGIBBON, *Chief Accountant.*

FINANCE DEPARTMENT,

OTTAWA, December 15, 1908.

W. R. TRAVERS, ESQ.,
General Manager,
Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I beg to acknowledge receipt of yours of the 12th instant, inclosing special return pursuant to the request of the Deputy Minister of date of the 3rd instant.

HENRY T. ROSS,

Assistant Deputy Minister.

CANADIAN BANKERS' ASSOCIATION,

SECRETARY-TREASURER OFFICE,

Bank of Montreal Building.

MONTREAL, December 7, 1909.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—I am requested by the President of this Association to inform you that a deposit receipt issued by the Farmers' Bank of Canada in its own favour for one hundred to one hundred and fifty thousand dollars, made payable in March next, is being offered for sale in New York, and, in fact, was submitted yesterday with a request for an advance thereon to the New York agents of the Royal Bank of Canada. I as reporting this fact to you believing you will deem it necessary to ask for an immediate explanation and to call for special returns from the bank in question.

JOHN KNIGHT,

Secretary.

Telegram.

MONTREAL, Dec. 21, 1909.

T. C. BOVLILE,
Department of Finance,
Ottawa.

Referring to associated letter of seventh instant, can you inform Vice-President Burn result of action?

JOHN KNIGHT.

FINANCE DEPARTMENT,

OTTAWA, December 2, 1909.

JOHN KNIGHT, ESQ.,
Secretary, Canadian Bankers' Association,
Montreal, P.Q.

DEAR SIR,—I have your telegram of yesterday to which I did not reply inasmuch as I had several conversations with Mr. Burn on the subject of it.

T. C. BOVILLE,
Deputy Minister of Finnace.

FINANCE DEPARTMENT,

OTTAWA, CANADA, December 23, 1909.

W. R. TRAVERS, ESQ.,
General Manager, Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I have been examining the Bank returns for November last, especially with regard to the reserve held by the Banks against immediate liabilities.

The amount of cash reserve held by the whole of the Chartered Banks is reported on that date as $103,808,457, of which $31,797,856 is specie and $71,510,601 Dominion notes, or a little over 12 per cent against the amount of notes in circulation, and the deposits by the public payable on demand and the deposits by the public payable after notice. The total amount of the liabilities of all the Banks is reported as $968,603,603. The total amount of specie and Dominion Notes held on the 30th November represents something over 10 per cent.

In analysing these figures in the case of individual banks I find that in your case the proportion of cash reserve to immediate liabilities to the public and also to the total liabilities is something over 2 per cent.

It seems to the department that a cash reserve of between 2 and 3 per cent to immediate liabilities totalling over $2,000,000 seems very small compared with what is usually held. The Bank Act establishes no fixed proportion of cash reserve to be held; That is left to be governed by the particular circumstances of each bank. In the case of your institution there may be conditions of which this department is unaware which might enable the holding of an exceptionally small reserve.

I am directed by the Minister of Finance to ask you to be good enough to advise me of the nature of the special circumstances which you may regard as justifying you in holding such a small proportion of cash reserve against such a large amount of liabilities, the payment of which might be immediately demanded.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

GENERAL MANAGER'S OFFICE,

TORONTO, December 27, 1909.

T. C. BOVILLE, ESQ.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have your favour of the 23rd, and in reply beg to say that under the heading of 'Other Assets not included under the foregoing heads' is a deposit with the Trusts & Guaranty Co. of $147,380, which we have been placing under that head as per your instructions of February, 1907. By some oversight the usual notation was not made at the foot of our return as you will find on previous ones.

In addition to this, under the heading of "Deposits made and Balances due from other Banks in Canada" you will find $96,154, both of which amounts are subject to our cheque on call and, therefore can be converted into legals any day we wish.

In addition to this, the legals and specie on hand, and it will make a total of over $300,000, which equals 15 per cent upon our total liabilities, which is a better showing than the general average you speak of.

In the absence of a rest fund, we cannot afford to keep much idle money.

W. R. TRAVERS,
General Manager.

STATE OF NEW YORK,

INSURANCE DEPARTMENT,

ALBANY, January 11, 1910.

Honourable WILLIAM S. FIELDING,

Minister of Finance,
Parliamentary Building, Ottawa,
Dominion of Canada.

MY DEAR SIR,—Since December 25, 1909, this department has been investigating a transaction whereby, as now appears, the control of the People's Mutual Life Insurance Association and League, a fraternal beneficiary society organized under the laws of New York and doing business from a principal office at Syracuse, was by its then directors transferred to one John Tevis, of Louisville, Ky., and his associates, for what now seems to be a very substantial consideration. This company, being a fraternal society, under the decisions of the courts of this State, the moneys paid by Mr. Tevis and his associates to certain directors of the People's Mutual Life Insurance Association and League belong to that society and not to them. As at present advised, the amount of such payment was $110,000.

The moneys to accomplish this transfer were, so this department is informed, raised by Mr. Tevis on his obligation, or the obligation of himself and his associates, given to the Farmers' Bank of Canada, located at Toronto. The statement is made that Mr. Tevis, or he and his associates, secured such loan on collaterals furnished by him or them. The facts thus far developed seem to indicate that, as a part of the transaction, the new management at once disposed of about $180,000 of the securities of the insurance company and transferred $150,000, which was the amount loaned by the Farmers' Bank to Mr. Tevis, or to him and his associates, to such Farmers' Bank, receiving therefrom a pen-written certificate of deposit dated December 20, 1909, the same having been issued by W. R. Travers, the general manager of such bank, who was at that time in Syracuse.

On learning the facts this Department required the insurance company to give notice to the Farmers' Bank that it elected to withdraw such deposit, the certificate issued seeming to require such notice, the following words having been used therein: 'Ninety days' notice to be given of withdrawal.' Were this bank in this state it would be easily possible under our insurance law for me to ascertain the facts as to this transaction, so far as such bank is concerned. It being an institution which, as I understand, it is under your jurisdiction, may I not request that if consistent with your duty you ascertain for this department:—

1. What was the arrangement between John Tevis, or John Tevis and his associates, whereby the Farmers' Bank of Canada advanced to him, or to him and them, $150,000 shortly prior to December 20, 1909; the information desired to include, if you think proper, the names of any other persons associated with Mr. Tevis in borrowing this money from such bank, and the collateral or collaterals deposited by him or them in that connection.

2. What arrangement there was between Mr. Tevis and this bank which led its general manager to proceed to Syracuse with the currency, instead of delivering to Mr. Tevis a draft or check, to which if he was a borrower in due course he should have been entitled.

3. Whether as a part of the arrangement it was understood and agreed between Mr. Tevis, or Mr. Tevis and associates, and the Farmers' Bank of Canada, that the insurance company should deposit with such bank said sum of $150,000, that being the sum also loaned.

4. Whether or not The Farmers' Bank of Canada has any lien or claim upon the deposit of $150,000, seeming to have been made with it on or about December 20, 1909, and evidenced by the certificate of deposit above mentioned. In this connection I hand you herewith a photographic copy of such certificate of deposit, which,

in the opinion of this department, indicates that the transaction was not in due course of business.

I shall also be grateful to you for any other information which you care to furnish concerning this transaction.

WILLIAM H. HOTCHKISS,
Superintendent of Insurance, State of New York.

SYRACUSE, N.Y., December 20, 1909.

Received from the People's Mutual Life Insurance Association and League the sum of one hundred and fifty thousand dollars to bear interest at the rate of three per cent per annum, ninety days' notice to be given of withdrawal.

THE FARMERS' BANK OF CANADA.

Not negotiable,
W.R.T.

per W. R. TRAVERS,
General Manager.

ALBANY, N.Y., January 12, 1910.

Hon. W. S. FIELDING,
Minister of Finance, Ottawa, Ont.

After reading my letter written yesterday can you telegraph the address of the Toronto branch of your department together with authority to my examiner to proceed there at once and secure information in reference to matters mentioned therein. We desire the information before Saturday, thanks for your courtesy.

WILLIAM H. HOTCHKISS,
Supt. of Insurance.

OTTAWA, January 12, 1910.

To WILLIAM H. HOTCHKISS,
Superintendent of Insurance,
Albany, N.Y.

There being no Government bank inspection in Canada I do not see how we can at present take the action that you desire. Probably the bank on application from you would explain the whole matter.

W. S. FIELDING.

OTTAWA, January 13, 1910.

WILLIAM H. HOTCHKISS,
Superintendent of Insurance,
Albany, New York, U.S.A.

While unable to proceed in the particular manner indicated by you, we desire to make some inquiry which will necessitate making use of your letter in a communication to the bank. Have you any objections to our so using your letter?

W. S. FIELDING.

ALBANY, N.Y., January 13, 1910.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

Replying to your telegram you are at liberty to make use of Department letter as suggested.

WILLIAM H. HOTCHKISS,
Supt. of Insurance.

FINANCE DEPARTMENT,

OTTAWA, CANADA, January 14, 1910.

W. R. TRAVERS, ESQ.,
General Manager,
Farmers' Bank of Canada,
Toronto.

DEAR SIR,—I beg to inclose copy of a letter received by the Minister of Finance from Mr. William H. Hotchkiss, Superintendent of Insurance, Albany, New York State. The Minister did not feel that under the circumstances he would be justified in taking the particular step desired by Mr. Hotchkiss. Nevertheless, as the transaction appears to have been an unusual one, somewhat out of the ordinary course of banking business, the Minister will be pleased if you will furnish an explanation of it.

T. C. BOVILLE,
Deputy Minister of Finance.

Telegram.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPHY.

ALBANY, N.Y., January 14, 1910.

Hon. W. S. FIELDING,
Minister of Finance, Parl. Bldgs., Ottawa.

Before receipt of your telegraph yesterday afternoon had instructed Arthur F. Saxton, examiner this department, to proceed to Toronto, interview Farmers Bank and get facts. Should you desire you can reach him care King Edward Hotel to-day.

WM. H. HOTCHKISS,
Supt.

STATE OF NEW YORK INSURANCE DEPARTMENT.

ALBANY, January 14, 1910.

Hon. WILLIAM S. FIELDING,
Minister of Finance,
Ottawa, Canada.

DEAR SIR,—In explanation of my telegram as follows:—

Before receipt your telegram yesterday afternoon had instructed Arthur F. Saxton, examiner this department, to proceed to Toronto, interview Farmers' Bank and get facts. Should you desire you can reach him care King Edward Hotel to-day.

permit me to say, the New York *World* of the 12th contained a telegram from Toronto, which stated in substance that W. R. Travers, the general manager of the Farmers' Bank of Canada, was willing to come to Albany at any time for examination touching his connection with the People's Mutual Life Insurance Association and League. On such matter being brought to my attention, I immediately wired Mr. Travers asking him to appear before me to-day, Friday. In reply thereto I received a telegram from him yesterday which stated in substance that he could not say at present when he could get away, but would advise me later. The facts surrounding the whole transaction with this bank being such, and there being a possibility that it might claim a lien upon the $150,000 deposited with it by the

People's Mutual on December 20, seemed to make it imperative that I send an examiner to Toronto immediately. Hence, I instructed Examiner Saxton, whose name is given you in the telegram, to start for that city and to gather such facts as he could there to-day. Information which has reached this department indicates that John Tevis, who purports to be the borrower of the $150,000 from the Farmers' Bank of Canada, is a man without financial responsibility. Two creditors of his have already attached some of the funds still undistributed in this People' Mutual matter at Syracuse.

I wanted you to have these facts in explanation of the other fact that Mr. Saxton is in Toronto to-day, you having in your telegram yesterday—received after he was sent—indicated that you expected to bring the matter directly to the attention of the Farmers' Bank. Mr. Saxton will return to Syracuse to-night, but if needed for a further investigation in Toronto will be ordered back. He is thoroughly familiar with all of the facts surrounding this unfortunate transaction.

WILLIAM H. HOTCHKISS,
Superintendent.

THE FARMERS' BANK OF CANADA,

GENERAL MANAGER'S OFFICE,

TORONTO, January 21, 1910.

T. C. BOVILLE, ESQ.,
Deputy Minister of Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have yours of the 14th with inclosure, and regret that my actions have caused you trouble.

To understand this matter properly, I will require to go back a few months. Messrs. Knabe, of the American Piano Company, New York and Baltimore, hold $112,000 stock in this bank in the name of their representative, Mr. John Tevis. They and their friends were anxious to obtain control of a Canadian Life Insurance Company and approached me to assist them with influence in the matter, which resulted in their obtaining control of a good company and their paying $100,000 on account of the option.

They heard that the People's Mutual of Syracuse could be purchased, as it appeared to be a dying concern, although having large assets, and that the risks could be reinsured with profit with some of their other companies. They asked me to give them financial aid in acquiring this company and wanted a loan of $150,000, secured by first-class collateral, and they were, after obtaining control of the company, to deposit $150,000 in this bank.

I had not the New York exchange, and they said our circulation would be sufficient to make a tender, and if the deal went through the First National Bank would accept the same and pay it out by degrees.

I and my chief inspector took the circulation over there, but matters did not turn out just as we expected and we brought it back; therefore, it was never issued.

I did, however, take a demand note for $150,000, secured by collateral, for which I issued an informal deposit receipt on obtaining from the majority of the directors an agreement to convert the said deposit into paid up stock in this bank. The agreement read, and the whole understanding was, that the entire deal was to be consummated on the 15th of January. Therefore I did not nor have not as yet made any entries, no loan having been made, nor no cash received.

In the meantime the State Department stepped in through some political influence and stirred up trouble, which has thrown everything into confusion in the meantime, but I have every reason to believe that a legitimate and favourable settlement will soon be made.

I regret that you consider this an unusual banking transaction, but my sole and only object was with a view of placing more of my stock and the obtaining of large deposits.

W. R. TRAVERS,
General Manager.

NEW RUSSELL,

OTTAWA, January 26, 1910.

The Honourable
Deputy Minister of Finance,
Ottawa.

SIR,—Since seeing you this afternoon I have communicated with Superintendent Hotchkiss on the telephone and ascertained that all the testimony in this case is in the hands of the grand jury and the district attorney of Syracuse, N.Y., from whom you will doubtless be able to obtain copies to use as you may desire.

If you or the Finance Minister desire to borrow the copies I have with me we shall be very glad to loan them to you for two or three days, in which case please communicate with me at the Russell House before 10.30 p.m., as, unless I can be of assistance to you by staying here, I shall leave for Toronto on the 11.10 p.m. train.

To-morrow and Friday I can be reached at the office of Blake, Lash and Cassels, Canadian Bank of Commerce Building, Toronto.

As I said this afternoon, I am prepared to stay here, or go anywhere, if in your judgment there is any chance of my presence being advisable.

My conversation with Superintendent Hotchkiss over the 'phone was necessarily hurried, but he expressed his gratification at the interest you have shown in the matter.

CHARLES HUGHES.

THE NEW RUSSELL,

MULLIGAN BROS., Proprs.

OTTAWA, Canada, January 26, 1910.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—Following up the interview with you this morning, I write to ask that in the event of any further representation being made to you by the parties who now have possession of what is called a deposit receipt of the Farmers' Bank of Canada for $150,000, or in the event of any application being made to you for departmental action against the bank or its manager, that you would be good enough to give us notice so that we may have an opportunity to attend again before you in the presence of these parties or otherwise, and then to present all the documents and correspondence and books to satisfy you that no liabilities exists on the part of the bank to pay the amount claimed.

I wish to repeat that my own inquiry has led me to the conclusion that no such liability exists and I have so advised the board of directors of the bank. Under the circumstances disclosed to me I think it would not be possible for the parties to recover against the bank in any proceedings they might be advised to institute, and, further, it would be a matter of surprise to me if under the circumstances they commence such an action in our courts.

I should add that I do not think the commencement of such an action would now lead to any crisis i nthe affairs of the bank or that it would cause very much embarrassment to the bank unless persons maliciously disposed should misrepresent

the conditions or suppress material circumstances—and I do not think there should be reason to apprehend that. I will be here during to-morrow and I will be pleased to attend you further as you may request.

I will be glad also to make production to you from the bank of all documents and books that you may call for. It is, of course, very important to avoid publicity of any official inquiry by you, although, as stated, I do not apprehend any serious results of any action to recover the amount claimed.

I beg again to ask your consideration and that I should be notified of any further requests or claims made to you in the premises.

GEORGE H. WATSON.

FINANCE DEPARTMENT,

OTTAWA, January 27, 1910.

GEORGE H. WATSON, ESQ.,
The New Russell,
Ottawa.

DEAR SIR,—At the request of Mr. Fielding I beg to acknowledge receipt of your letter of the 28th instant respecting the Farmers' Bank of Canada.

T. C. BOVILLE,
Deputy Minister of Finance.

TORONTO, January 27, 1910.

Hon. The Deputy Minister of Finance,
Ottawa, Ont.

SIR,—It has occurred to me since seeing you yesterday that it might be well for me to explain in a letter the proceedings of the bank with reference to the repudiation of the deposit of the Insurance Company.

On Wednesday, the 19th inst., Mr. Hadley, the representative of this department, called at the office of the bank, and presenting the certificate of deposit applied for return of the amount of the deposit. After interviewing the General Manager, the Chief Accountant and Manager of the Toronto branch, the last stated that the receipt was informal and not on the bank's regular form, and that he could not recognize it without specific instructions from the General Manager. The General Manager told our representative to return about three o'clock in the afternoon. At a few minutes to three our representative knocked at the door of the General Manager's room, whereupon the General Manager opened the door a few inches, and stated that his Board of Directors had refused to accept the waiver of notice. This statement seemed to imply that the directors accepted the validity of the deposit receipt. The directors' meeting was, of course, held on that day in addition to the general meeting of the stockholders of the bank.

On the afternoon of January 24, Mr. A. W. Anglin, our legal representative and I had an interview with Mr. Watson, who represents the bank in this matter. Mr. Watson stated that there had been a meeting of the bank's directors that day at which Mr. Travers and Mr. Hunter, the legal representatives of the bank were present. At this meeting it had been decided that any liability upon the deposit receipt should be absolutely repudiated, and that the loan to Tevis should also be absolutely repudiated, and that a letter should be written to Tevis notifying him that the stock he had deposited with the bank and which was then in Toronto, was held subject to his order. Mr. Watson further stated that these decisions were entered in the minutes of the meeting of that date (January the 24th). Mr. Watson further stated that this had been the determination arrived at at the board

meeting, held Wednesday the 19th of January, although no record of that fact had been made in the minutes of the meeting held on that date.

CHARLES HUGHES,

Chief Inspector of Casualty and Miscellaneous Insurance Companies for the Insurance Dept. of the State of New York.

FINANCE DEPARTMENT,

OTTAWA, CANADA, January 28, 1910.

WILLIAM H. HOTCHKISS, ESQ.,

Superintendent of Insurance,
Albany, N.Y., U.S.A.

DEAR SIR,—At the request of Mr. Fielding I beg to acknowledge receipt of your letter of the 14th instant on the subject of your inquiries into certain transactions of the Farmers' Bank of Canada.

At the same time I send you herewith a copy of the reply received from the general manager of that institution, to whom a copy of your letter of the 11th instant was sent for such explanation as could be offered. In connection with the above matter I may say that Mr. Hughes, your examiner, visited the department on the 26th instant.

T. C. BOVILLE,

Deputy Minister of Finance.

STATE OF NEW YORK, INSURANCE DEPARTMENT,

ALBANY, January 31, 1910.

Honourable T. C. BOVILLE,

Deputy Minister of Finance,
Parliament Buildings, Ottawa, Canada.

MY DEAR SIR,—This acknowledges yours of January 28, inclosing copy of letter addressed to you by W. R. Travers, general manager of the Farmers' Bank of Canada, which letter is dated January 21, 1910. I note that Mr. Travers takes the position that the certificate of deposit was informal merely. You will doubtless recall that when sworn and examined before me at Syracuse on January 17, 1910, Mr. Travers not only admitted that such certificate of deposit was a liability of his bank, but stated that the same would be paid. You will doubtless recall further a letter written by Mr. Travers to one M. G. Hunt on December 21, 1909, a copy of which was, I think, shown you by Chief Examiner Hughes when he was in Ottawa.

In view of the facts as they have been submitted to you since the receipt of the letter which you inclose, I trust that your department will feel it proper to continue its investigation to the end that justice may be done both in the Dominion and in the State of New York.

WILLIAM H. HOTCHKISS,

Superintendent.

SESSIONAL PAPER No. 153a

WATSON, SMOKE, CHISHOLM & SMITH,
Barristers, Solicitors, &c.,
National Trust Building, 20 King St. East.

TORONTO, ONT., May 10, 1910.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa, Ont.

DEAR SIR,—About two months ago, I spoke to you in connection with a matter in which the Farmers' Bank was interested. The First Natioal Bank of Syracuse and the People's Life Insurance Company of same place, claimed to have a deposit receipt of the Farmers' Bank for the sum of $150,000. It was deemed a matter of some importance, and you may recall that I then explained to you that the difficulty arose in relation to a proposed transaction never carried out and afterward entirely abandoned. I also then stated to you the circumstances under which the possession of the document was obtained.

I was at the time quite satisfied that there was no liability on the part of the Farmers' Bank in connection with the matter, and it was always quite certain that the bank had not received any money on deposit for which such a receipt could regularly or properly be issued.

On behalf of the bank, I am glad now to be able to state you that the document has been handed back to us by the First National Bank of Syracuse. We were informed that the parties who had obtained the moneys from that bank on the credit of this document made full refund of such moneys, and the document has, therefore, quite recently been delivered to us for the bank.

The result is a full confirmation of the instructions received by me from the Farmers' Bank and which I communicated to you on the occasion of.

I make this further communication to you so that you may be informed of the facts and in the interest of the Farmers' Bank.

GEORGE H. WATSON.

MINISTER OF FINANCE, CANADA,

May 12, 1910.

GEORGE H. WATSON, ESQ., K.C.,
20 King Street, East,
Toronto.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 10th instant.

I am obliged to you for the information you have given me concerning the Farmers' Bank.

W. S. FIELDING.

EXHIBIT 5a.

Copy of cheque dated 30th November, 1906, for $245,000 from the Finance Department to The Farmers Bank:

COPY

FINANCE DEPARTMENT, CANADA.

To the

Manager of the BANK OF MONTREAL,
OTTAWA.

COPY
No. 676
$245,000.00

(*Stamp*)
Bank of Montreal
Paid
Dec. 6 1906

Ottawa, 30 November, 1906.

Pay to the order of Farmers Bank of Canada
Two hundred and forty five thousand dollars.

(*Stamp*)
Credit Toronto Branch.

(*Stamp*)
Bank of Montreal
Dec.
4
1906
5

W. L. BLAIR,
For Accountant.

Toronto, T. C. BOVILLE,
Deputy Minister of Finance.

Certified true copy, H. BOVILLE.

Endorsed.—Pay to the order of The Traders Bank of Canada. For deposit to the credit of The Farmers Bank of Canada.

W. R. TRAVERS,
Genl. Mang.

Stamp.—The Traders Bank of Canada, First Receiving Teller, Dec. 3, 1906, Toronto, Ont.

EXHIBIT 6.

Cheque No. 25 payable to J. G. Fitzgibbon.

THE TRADERS BANK OF CANADA. No. 25

Toronto, Ont., Nov. 30th, 1906.

Pay to J. G. Fitzgibbon or order.....$62.50
Sixty-two .50.....Dollars

THE FARMERS BANK OF CANADA,
W. R. TRAVERS,
Genl. Mangr.

Endorsed.—J. G. Fitzgibbon, A. A. Shaver.
Stamp.—The Traders Bank of Canada, Toronto, Ont., paid 1st Dec., 1906.

EXHIBIT 7.

Cheque No. 28 to Masten, Starr and Spence.

THE TRADERS BANK OF CANADA. No. 28

Toronto, Ont., Dec. 4th, 1906.

Pay to Masten, Starr & Spence or order.....$10.00

Ten ..... Dollars

THE FARMERS BANK OF CANADA,

W. R. TRAVERS,

Genl. Mangr.

Endorsed.—Pay to the order of Bank of Nova Scotia. Masten, Starr and Spence.

Stamp.—The Traders Bank of Canada, Toronto, paid 8th Dec., 1906. Bank of Nova Scotia, Toronto, Dec. 7, 1906. H. A. Richardson, Manager.

EXHIBIT 8.

Two cheques, Nos. 52 and 27, and Release re C. H. Smith.

IN CONSIDERATION of the receipt by us of the promissory note of W. R. Travers, Esq., for $1800, in favor of C. H. Smith, Esq., the receipt of which is hereby acknowledged on behalf of the said C. H. Smith, we hereby release the said W. R. Travers and the Farmers' Bank of Canada from all claims and demands of the said C. H. Smith against either the said Farmers' Bank or the said W. R. Travers.

PRINGLE & GUTHRIE,

Solicitors for C. H. Smith.

Toronto, Ont., Nov. 30th, 1906.

TO THE TRADERS BANK OF CANADA. No. 27.

Pay to Pringle & Guthrie or order.....$110.00

One hundred & ten.....Dollars

THE FARMERS BANK OF CANADA,

W. R. TRAVERS,

Genl. Mangr.

Endorsed.—Pringle & Guthrie.

Stamp.—Pay to the order of any Bank or Banker, The Sovereign Bank of Canada, Ottawa, Ont., S. McDougall, Manager. The Sovereign Bank of Canada, Ottawa, Ont., Nov. 30, 1906. The Sovereign Bank of Canada, Toronto, Ont., Dec. 3, 1906.

TO THE TRADERS BANK OF CANADA. No. 52.

Toronto, Ont., Dec. 19th, 1906.

Pay to W. R. Travers or order.....$1800.00
Eighteen Hundred .....Dollars

THE FARMERS BANK OF CANADA,
W. R. TRAVERS,
General Manager.

Endorsed.—W. R. Travers, A. R. Shaver.
Stamp.—The Traders Bank of Canada, Toronto, Ont., Dec. 19, 1906.

EXHIBIT 9.

Copy of Minute book of provisional directors of Farmers Bank.

MINUTE BOOK OF THE FARMERS' BANK OF CANADA, PRELIMINARY.

26th Aug. 1904:

Minutes of the *First Meeting* of the Provisional Directors of *The Farmers Bank of Canada,* held, for the purpose of organization, and the transaction of general business, *on the 26th day of August,* 1904, in Room No. 510, Manning Chambers, Toronto.

Convened:

At the meeting,, there were present:—
DR. JOHN FERGUSON, Toronto, Ont.
JAMES GALLAGHER, ESQ., Teeswater, Ont.
A. S. LOWN, ESQ., Drayton, Ont. and
ALEXANDER FRASER, ESQ., Toronto, Acting Secretary.

Meeting Called to Order:

Mr. Fraser, Acting Secretary, called the meeting to order at 9 o'clock, p.m., and explained the object of the meeting as above set forth. He then asked that a Chairman should be elected for the Provisional Board, acting under the Act of Incorporation, which had become law on the day of 1904. Thereupon, it was moved by Mr Gallagher, and seconded by Mr. Lown that

Election of Chairman:

John Ferguson, M.A., M.D., Toronto, be the *Chairman* of the Provisional Board of Directors. This motion was unanimously carried.

Election of Secretary:

Mr. Gallagher then moved, seconded by Mr. Lown, that *Mr. Alexander Fraser, Toronto,* be the *Secretary* of the Provisional Board of Directors. The motion was unanimously carried.

SESSIONAL PAPER No. 153a

Report of Informal Meeting:

The Secretary then read the following statement of the Proceedings at an informal meeting of the petitioners for the incorporation of the Bank, viz:—

"Following a number of informal meetings and conferences during the previous, and this month, and in expectation that the Royal Assent would have been given on the previous day to the Act incorporating *THE FARMERS' BANK OF CANADA*, the promoters of said Bank met on the 14th day of July, 1904, pursuant to regular call, in the parlour of the Iroquois Hotel, Toronto, for the purpose of organization and the transaction of Business.

There were present:—

A. S. Lown, Esq., Drayton, Ont.
Dr. Ferguson, Toronto.
James Gallagher, Esq., Teeswater, Ont. and
Alexander Fraser, Esq., Toronto.

A telegram from John Watson, Esq.. Listowel, was read, regretting his inhability to be present.

Dr. Ferguson was called upon to preside and Mr. Alexander Fraser, was asked to act as Secretary to the meeting.

Mr. Lown reported that the Royal Assent had not been given to their Bill on account of the absence from Ottawa of His Excellency the Governor Genera,l and therefore, that their meeting was not a formal one, according to statute, but that matters of interest could be discussed and suggestions made which would be helpful at a later charge of the process of organization. The conclusions arrived at were that it seemed desirable;

(a) That the first $500,000.00 of capital stock should be offered at par, and the remainder at a premium to be fixed according to conditions existing at the time;

(b) That certain gentlemen should be approached with the view to obtaining subscriptions for stock from them on the opening of the stock books of the Bank;

(c) That Dr. Ferguson and Mr. Fraser be a Committee to select and rent a suitable office in which the business of the Bank may be conducted temporarily, and to purchase a few necessary articles of furniture and stationery for the same;

(d) That Mr. Fraser and Mr. Lown be requested to prepare material for a prospectus and to enquire *re* cost of printing forms, etc.

(e) That Mr. Fraser procure 2000 blank forms for the subscription of stock; and make enquiry *re*: a design for letter headings and bank notes.

The methods to be followed in the sale of stock and in the launching of the Bank were discussed at length, and the Meeting adjourned until a date after the Act of Incorporation had been obtained.

Signed: "Alexander Fraser",
Acting Secretary.

This *Statement* was received and the conclusions therein set forth, and the several requests therein contained were concurred in by the Meeting.

The Secretary read the following reports:—

1. *Report of Committee* by Dr. Ferguson and Alexander Fraser in the matters referred to them by the informal meeting of the incorporators of the Farmers Bank of Canada, held on the 14th day of July, 1904, viz:

(1) Room 510, Manning Chambers, Toronto, has been secured as a temporary Head Office for the Bank at a rental of $15.00 per month, beginning on the 15th day of August, 1904.

The lease for same was sent to Mr. Lown, Drayton, Ont., Acting Solicitor for the Bank, for review and signature on behalf of the Bank.

(2) A few pieces of furniture and some necessary stationery have been purchased for said office.

Signed, "ALEXANDER FRASER",
Acting Secretary.

2. *Report of Acting Secretary*:—Mr. Fraser reported,

(1) That he had procured 2,000 forms for the subscription of stock as had been requested by the meeting of July 14th last;

(2) That he had consulted with several designers who will submit when required sketches for letter paper head lines and for notes to be issued by the Bank;

(3) That he and Dr. Ferguson would report later on the words for a suitable motto for the Bank;

(4) That Mr. Lown and he would likewise report progress as to the Prospectus, at the next meeting of the Board.

Signed, "ALEXANDER FRASER",
Acting Secretary.

It was moved by Mr. Lown and seconded by Mr. Gallagher that the report of Dr. Ferguson and Mr. Fraser regarding the leasing of temporary premises for the Bank, &c., as above set forth; and the Report by Mr. Fraser on the printing of blank forms, etc., as also above set forth, be adopted and confirmed, and that the liabilities thereby incurred be adopted and assumed by this Provisional Board on behalf of the Bank and that the same be paid and discharged by the Secretary.

Opening Stock Books:

It was moved by Mr. Gallagher and seconded by Mr. Lown that:—
For the purpose of organizing the Bank, Dr. Ferguson, Mr. Lown and Mr. Fraser be a Committee with power to give public notice and to appoint a day for the opening of Stock Books upon which shall be recorded the subscriptions of such persons as desire to become shareholders in the Bank, at the Provisional Head Office of the Bank and at such other places as they may deem fit.—*Carried.*

Placing Stock:

It was moved by Mr. Lown and seconded by Mr. Gallagher that stock be placed on the market as follows:

The first block of $500,000.00 of the Capital Stock shall be offered at par value viz: $100.00 each share at the price of $100.00 per share; and that payments on the same shall be as follows:—$5.00 per share on subscription; a further $15.00 per share on allotment; and eight equal monthly payments of $10.00 each per share on the first day of each and every month of the eight months immediately succeeding the date of such allotment.—*Carried.*

Meetings of the Provisional Board:

It was moved by Mr. Lown and seconded by Mr. Gallagher, and carried, that:
The next Regular meeting of this Board shall be held on Tuesday, the 6th day of September, 1904, at 2 o'clock p.m., in the temporary Head Office of the Bank, No. 510 Manning Chambers, Toronto, for the transaction of Business, and thereafter regular meetings shall be held every Monday at the same hour and place, until otherwise determined, and at these meetings three members of the Board shall form a quorum.

Appointment of Solicitor:

It was moved by Mr. Gallagher, and seconded by Mr. Fraser, and carried; that, Mr. A. S. Lown, Barrister, &c., Drayton, Ont., be and is hereby appointed Solicitor for the Farmers' Bank of Canada.

Duties of the Secretary:

It was moved by Mr. Gallagher, and seconded by Mr. Lown, and carried, that:
The Secretary shall discharge the duties coming within the usual range of the office to which he has been appointed and in addition thereto shall have general charge of the Bank's office and Property; shall receive all funds and monies therefor and deposit them in a Chartered Bank to the Credit of the Farmers' Bank of Canada, sign all receipts for payments on deposits and calls for stock.

Signing of Cheques:

It was moved by Mr. Lown, and seconded by Mr. Gallagher, and carried, that:
All cheques on the funds of the Farmers' Bank of Canada shall be signed by the Secretary and countersigned by the Chairman of the Provisional Board.

Purchases:

It was moved by Mr. Lown, and seconded by Mr. Gallagher, and carried: That the Secretary be authorized to purchase the stationery necessary for the office.

The Board then adjourned.

"ALEXANDER FRASER",
Secretary.

Read at the regular meeting of the Provisional *Board,* held *on the 6th day of September,* 1904, *and confirmed.*

"JOHN FERGUSON",
Chairman of the Provisional Board.

6th September, 1904:

Minutes of the Regular meeting of the Provisional Board of

THE FARMERS BANK OF CANADA

held in Room No. 510, Manning Chambers, Toronto, on the 6th day of September, 1904.

Present:

There were present:—

DR. JOHN FERGUSON, Chairman, Toronto.
A. S. LOWN, Drayton, Ont.
JAMES GALLAGHER, ESQ., Teeswater, Ont.
JOHN WATSON, ESQ., Listowel, Ont., and
ALEXANDER FRASER, ESQ., Toronto, Secretary.

Minutes Read:

The *Minutes* of the last meeting of the Board were read and *confirmed.*

Opening of the Stock Books:

The Secretary presented the following report:—

Report of the Committee appointed at the meeting of the Board of the date 26th August, 1904, *re* giving public notice and fixing upon a date for the *opening of the Stock Books* of the Bank:—

(1) The Committee, consisting of Dr. Ferguson, Mr. Lown and Mr. Fraser met on the 26th of August, 1904, and decided that the Stock books should be opened at 10 o'clock a.m., of the 6th day of September, 1904, at the office, No. 510, Manning Chambers, Toronto, and at such other places as might be decided upon.

(2) The Secretary was requested to insert the following Public Notice in The Canada Gazette and one Toronto paper, once, in accordance with the requirements of the statute, viz:

THE FARMERS BANK OF CANADA

Take notice that the Provisional Directors of The Farmers' Bank of Canada will open stock books upon which shall be recorded the subscriptions of such persons as desire to become shareholders in the said Bank, at Room 510, Manning Chambers, Queen Street West, in the City of Toronto, on Tuesday, the 6th September, 1904, at the hour of 10 o'clock a.m., and keep them open until further notice.

"ALEX. FRASER",
Secretary Provisional Board.

Toronto, 26th August, 1904.

The Secretary further reported concerning this report that *the Public Notice* had been duly inserted in *The Canada Gazette*, and in *The Toronto Daily World;* and he produced and read the notices from these papers. The report was received and adopted.

Disposal of Stock:

It was moved by Mr. Lown, seconded by Mr. Watson, and carried: That five hundred thousand dollars capital stock of The Farmers Bank of Canada be placed in the hands of Mr. C. H. Smith for sale at par and that he be allowed a commission of five per cent. on all stock placed, and that the agreement to be entered into under this minute continue in force until the 6th day of January, 1905, A.D., subject to such further extension as may then be deemed expedient, and shall contain a clause that the Board may at any time rescind this Agreement provided that satisfactory progress has not been shown.

Agreement with Agent:

It was moved by Mr. Watson, seconded by Mr. Gallagher, and carried; That the Solicitor for the Bank, Mr. Lown, prepare an agreement with Mr. C. H. Smith regarding the sale of stock referred to in the immediately preceding minute of this meeting, and that the same be approved of by the Chairman and Secretary and signed by them on behalf of the Bank.

Public Notice:

The Secretary was requested to procure an additional copy of The Canada Gazette and 25 copies of the Toronto World containing the Public Notice, *re opening The Stock Books;* also a supply of Stock Receipt Books.

Withdrawal of Funds:

It was moved by Mr. Gallagher, seconded by Mr. Lown, and carried; That the funds of the Bank be subject to withdrawal only by resolution of the Provisional Board of the Farmers' Bank of Canada, authorizing the proper officials to sign cheques for such withdrawal or withdrawals.

Directors' Fees:

It was moved by Mr. Lown, seconded by Mr. Watson, and carried; That the Directors (Provisional) be paid their railway fare and twenty dollars per meeting to those living outside of the City of Toronto, and for those living within the City of Toronto the sum of ten dollars per meeting.

Regular Meetings:

It was moved by Mr. Watson, seconded by Mr. Gallagher, and carried; That the regular meeting of the 12th day of September current be not held.

Adjournment:

It was moved by Mr. Watson, seconded by Mr. Fraser, and carried; That this meeting does now adjourn.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a regular meeting of the Board, held at Toronto, on the 26th day of September, 1904.

"JOHN FERGUSON",
Chairman.

26*th September*, 1904:

Minutes of the *Regular Meeting* of the *Provisional Board* of

THE FARMERS BANK OF CANADA,

held on the 26*th day of September*, 1904, in Room 510, Manning Chambers, Toronto.

Present:

There were present:

DR. JOHN FERGUSON, Chairman,
JOHN WATSON,
A. S. LOWN, and
ALEXANDER FRASER, Secretary.

Minutes:

The Minutes of the last meeting were read and confirmed.

The Secretary explained that the regular meeting due, as per standing resolution of the Board, on the 19th instant, *had not been called* because there was not enough business ready to warrant the expense which would have been entailed by the meeting.

Absence:

The Secretary read a letter from Mr. James Gallagher expressing his regret for inability to be present at this meeting.

It was moved by Mr. Lown, seconded by Mr. Watson and agreed to,

That, as Mr. Gallagher did not receive notice of the calling off of last meeting of the Board in time to prevent his leaving for Toronto, and attended on the date of last Board meeting, he be allowed his expenses and fees as if the meeting had been held.

Organization:

The Board took up the question of organization and of the contents of the Prospectus, in both of which progress was made; and then adjourned until the 10th proximo, at the hour of 2 o'clock p.m.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a meeting of the Board,
held on the 14th day of Nov'r, 1904, at Toronto.

"JOHN FERGUSON",
Chairman.

14th *November*, 1904:

Minutes of the *Regular Meeting* of the Provisional Board of Directors of

THE FARMERS BANK OF CANADA,

held on the 14*th day of November*, 1904, at the office, No. 510 Manning Chambers, Toronto.

Present:

There were present:

DR. JOHN FERGUSON, Toronto, Chairman;
JOHN WATSON, Listowel;
JAS. GALLAGHER, Teeswater;
A. S. LOWN, Drayton;
ALEXANDER FRASER, Secretary.

Minutes:

The Minutes of the last regular meeting were read and approved of.

Organization:

The organization of the Board and the steps being taken with the view of placing the stock of the Bank on the market were discussed, and the progress made since last meeting, reported, after which the meeting adjourned.

"ALEXANDER FRASER",
Prov'l. Secretary.

Read and Confirmed at a meeting of the Board,
held on the 28th day of November, 1904.

"JOHN FERGUSON",
Chairman.

28th November, 1904:

Minutes of the *Regular Meeting* of the Provisional Board of Directors of *the Farmers Bank of Canada,* held on the *28th day of November,* 1904, in the Office, No. 510 Manning Chambers, Toronto.

Present:

There were present:

DR. JOHN FERGUSON, Chairman;
A. S. LOWN,
JAS. GALLAGHER,
ALEXANDER FRASER, Secretary.

Minutes:

The minutes of the last regular meeting of the Provisional Board were read and were confirmed.

Organization:

The Chairman and Secretary reported the progress which had been made in the work of organization, giving details. The Board discussed and approved of the report.

Prospectus:

The Secretary submitted a draft prospectus, which with certain amendments was adopted, and on motion of Mr. A. S. Lown, seconded by Mr. Jas. Gallagher, 1,500 copies were ordered to be printed.

Office Assistance:

The Secretary was authorized to avail himself of the necessary assistance in connection with the clerical work of the office.

Promotion Expenses:

Mr. C. H. Smith's account for promotion expenses was presented, and on the motion of Mr. A. S. Lown, seconde dby Mr. Alexander Fraser, was passed and ordered to be paid.

Adjournment:

The Meeting then adjourned until the 7th December, 1904, at 2 p.m.

"ALEXANDER FRASER",
Secretary, Prov'l Board.

Read and confirmed at a meeting of the Board, held on the 7th December, 1904, at No. 510 Manning Chambers, Toronto.

"A. S. LOWN",
Acting Chairman.

7th December, 1904:

Minutes of the *Regular Meeting* of the *Provisional Board* of

THE FARMERS BANK OF CANADA,

held on the 7th day of December, 1904.

Present:

There were present:

A. S. LOWN,
JOHN WATSON,
ALEXANDER FRASER, and
DR. FERGUSON.

At the opening of the meeting, Mr. Lown presided.

Minutes:

The *Minutes* of the *last meeting* were read and approved of.

Absence:

A telegram was read from Mr. Gallagher expressing regret for being absent from the meeting.

Organization:

The Secretary reported in detail on the progress that was being made with the *organization of the Board* and placing of stock and his report as to the prospects of success was concurred in.

Motions:

The following Motions were submitted and agreed to, viz,:

Moved by Mr. John Watson, seconded by Mr. Alexander Fraser,

That the *agreement* between the Bank and Mr. C. H. Smith regarding agency for the sale of stock of the Bank, dated the 7th September, 1904, be extended until the 1st day of April, 1904.—*Carried.*

Moved by Mr. Alexander Fraser, seconded by Mr. John Watson,

That Mr. C. H. Smith be allowed the same fee and *travelling expenses* as have been allowed in the case of Directors residing outside the City of Toronto for all meetings of the Provisional Board he has attended, or may attend in future.—*Carried.*

Adjournment:

The meeting then adjourned until 2 o'clock on the next day, the 8th of December, 1904.

"ALEXANDER FRASER",
Secretary.

Read and Confirmed at a meeting of the Board, held on the *8th December,* 1904, at 510 Manning Chambers, Toronto.

"JOHN FERGUSON",
Chairman.

8th December, 1904:

Minutes of the Regular Meeting of the Provisional Board of The Farmers Bank of Canada, held on the 8th day of December, 1904, at the Office, No. 510 Manning Chambers, Toronto.

There were present:

DR. JOHN FERGUSON, Chairman,
A. S. LOWN,
JOHN WATSON,
ALEXANDER FRASER, Secretary.

Mr. C. H. Smith was also in attendance.

Minutes:

The Minutes of the regular meeting of the 7th December, 1904, were read and confirmed.

Reports:

The Chairman reported on his visit to Stratford in connection with the organization of the Bank, at length, and his report was considered satisfactory and was endorsed by the meeting.

Ways and means for disposal of stock in the Stratford district were considered in detail.

Sale of Stock:

C. H. Smith reported at length on what he had done with respect to agents for the sale of stock and stated that the unavoidable delay in having the prospectus issued was proving a serious hindrance to him.

Accounts for travelling expenses and per diem of members of the Board and Mr. Smith were presented and passed and ordered to be paid.

Blank Forms, etc.:

The Chairman and Secretary were authorized to issue necessary forms, secure books and stationery as required for carrying on the organization of the Bank and to issue cheques on certified accounts for the same.

The Meeting then adjourned to meet on the 19th instant.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a meeting of the Provisional Board, held on the day of December, 1904.

"JOHN FERGUSON",
Chairman.

22nd December, 1904:

Minutes of the regular meeting of the Provisional Board of

THE FARMERS BANK OF CANADA,

held at the Queen's Hotel, Toronto, on the 22nd day of December, 1905.

There were present:

DR. FERGUSON, Chairman,
A. S. LOWN,
JAMES GALLAGHER,
JOHN WATSON,
ALEXANDER FRASER, Secretary, and
C. H. SMITH.

The Secretary explained that since the last Meeting of the Provisional Board, it had been suggested to him that the gentlemen who had consented to act on the Permanent Board should be invited to meet the Provisional Board at a luncheon at the Queen's Hotel to-day, so that an opportunity should thereby be afforded for conference as to the affairs of the Bank;

That he had communicated this desire to all the members of the Board and had received their cordial concurrence in the idea. The meeting had, therefore, been postponed from the 19th inst., until to-day, in order to avoid two meetings on the same week.

The meeting endorsed the Secretary's action, and as Messrs. Gallagher and Watson required to return home that afternoon, it was agreed that a meeting of the Board to be attended by a quorum should be held on the next day to allot stock and transact routine business.

The luncheon was attended by Hon. Thomas Ballantyne, W. Harland Smith, Robert Beith, Dr. Coghlan, Mr. C. H. Smith and members of the Provisional Board, and after it was over, a complete statement of what had been done was made by the Secretary, supplemented by Dr. Ferguson and Mr. A. S. Lown.

Mr. Ballantyne, Mr. Harland Smith, Dr. Coghlan and Mr. Robert Beith expressed satisfaction with the statement, and confidence in the success of the organization and of the future of the Bank.

It was agreed that when property suitable for headquarters had been prospected by the Provisional Board the advice of the proposed Permanent Directors would be solicited, as also in any important step taken in connection with the opening of the Bank.

The conference then adjourned.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a Meeting held on the 23rd day of December, 1904, at Toronto.

"JOHN FERGUSON",
Chairman.

23rd December, 1904:

Minutes of Meeting of the Provisional Board of the Farmers Bank of Canada, held on the 23rd day of December, 1904, at No. 510, Manning Chambers, Toronto.

There were Present:—

DR. FERGUSON, Chairman.
A. S. LOWN.
ALEXANDER FRASER, Secretary.

Minutes:

The Minutes of the previous meeting were read and approved.

The following stock was allotted:

1	Dowling, J. J.	one	share	$100.00	Drayton,	Ont.
2	White, John	"	"	100.00	"	"
3	Dales, John N	"	"	100.00	Kingston,	"
4	Tucker, George	two	"	$100.00–$ 200.00	Bosworth,	"
5	Gibb, Hugh C	"	"	$100.00–$ 200.00	Drayton,	"
6	William & Hugh Wilson	"	"	$100.00–$ 200.00	Rothsay,	"
7	Noble, Robert	"	"	$100.00–$ 200.00	Bosworth,	"
8	Ritch, Wm	"	"	$100.00–$ 200.00	Drayton,	"
9	Gordon, Lottie	"	"	$100.00–$ 200.00	"	"
10	Wayne, Mrs. Chas	"	"	$100.00–$ 200.00	Stirton,	"
11	Downey, James	"	"	$100.00–$ 200.00	Goldstone,	"
12	Johnston, James	"	"	$100.00–$ 200.00	Winifield,	"
13	Brimblecombe, Wm	five	"	$100.00–$ 500.00	Drayton,	"
14	Casey, Ed. J	two	"	$100.00–$ 200.00	Parker,	"
15	Casey, E. J	three	"	$100.00–$ 300.00	"	"
16	Cunningham, Hugh	five	"	$100.00–$ 500.00	Drayton,	"
17	Fowler, Geo. S	"	"	$100.00–$ 500.00	Teeswater,	"
18	Casey, Cornelius	"	"	$100.00–$ 500.00	Parker,	"
19	Ellis, George	"	"	$100.00–$ 500.00	Drayton,	"
20	Johnston, Robt	"	"	$100.00–$ 500.00	Winifield,	"
21	Wadel, Joseph	ten	"	$100.00–$1000.00	Whitechurch	"
22	Page, Garner L	"	"	$100.00–$1000.00	Drayton,	"
23	Laing, Helen	"	"	$100.00–$1000.00	"	"
24	Davidson, Elizabeth	"	"	$100.00–$1000.00	"	"
25	Woodisse Bros	"	"	$100.00–$1000.00	Rothsay,	"

and the Secretary was instructed by motion that the first call of fifteen per cent. per share be made on each and every subscriber above set forth; further, it was resolved and ordered, and the Secretary was instructed accordingly; that a call of ten per cent. per share, being for first of the monthly calls on stock, be made on the subscribers each and everyone severally set forth.

The Meeting then adjourned to meet at the call of the Chairman when necessary for the transaction of business.

"ALEXANDER FRASER",
Secretary.

Read and approved of at a meeting of the Provisional Board, held on the 8th day of February, 1905.

"JOHN FERGUSON",
Chairman.

9th January, 1905:

Minutes of a meeting of the Provisional Board of the Farmers Bank of Canada, held on the 9th day of January, 1905, at Room 510, Manning Chambers, Toronto.

There were Present:—

DR. FERGUSON, Chairman.
A. S. LOWN.
ALEXANDER FRASER, Secretary, and
MR. C. H. SMITH, was in attendance.

The meeting was a special one called by the Chairman to receive a report from Mr. C. H. Smith of the progress he was making in placing the stock of the Bank on the market.

The subject was fully discussed and it was arranged that friends should be interested in several districts who should assist in selling stock. The question of advertising was also considered and the cost of the same entered into minutely.

The meeting then adjourned to the call of the Chairman.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a meeting, held on the 8th day of February, 1905.

"JOHN FERGUSON",
Chairman.

23rd January, 1905:

Minutes of a meeting of the Provisional Board of

THE FARMERS BANK OF CANADA,

held in the Temple Building, Toronto, on the 23rd day of January, 1905.

There were present:—

DR. FERGUSON, Chairman.
JOHN WATSON.
A. S. LOWN.
JAS. GALLAGHER.
ALEXANDER FRASER, Secretary, and
MR. C. H. SMITH was in attendance.

The following resolutions were passed:

Moved by J. Gallagher, seconded by J. Watson; That Mr. W. Beith be engaged to take charge of the office of The Farmers Bank of Canada with power to go ahead to arrange for the getting of men to consent to act on the Permanent Board, get note forms and stationery necessary, and do other detail work necessary to the placing the Bank in shape for opening for business.—*Carried.*

Moved by Mr. A. S. Lown, seconded by Mr. J. Watson, That the Secretary and Mr. W. Beith be instructed to advertise The Farmers Bank of Canada in the various newspapers in the City and Country.—*Carried.*

Moved by Mr. J. Watson, seconded by A. S. Lown, That the telephone be put into the provisional office of The Farmers Bank of Canada.—*Carried.*

Moved by Mr. J. Gallagher, seconded by J. Watson, That the men who consent to act on the Permanent Board of The Farmers Bank of Canada be consulted in our business hereafter, and notified to attend our meetings hereafter.—*Carried.*

Moved by A. S. Lown, seconded by J. Gallagher, That the third call on the stock already allotted be made on the 1st day of March, 1905, and that the Secretary be authorized to send out notices to the stockholders before the 1st day of February next.—*Carried.*

Moved by A. S. Lown, seconded by J. Watson, That Mr. C. H. Smith be paid the sum of three hundred dollars on account and cheque be issued for the same.—*Carried.*

Moved by A. S. Lown, seconded by J. Gallagher, That the following stock be allotted and is hereby allotted:—

26 Charles White, Drayton, Ont..... 5 shares, $100 each, $ 500.
Robt. H. Corbett, Rothsay, Ont..... 10 " $100 " $1,000.
—*Carried.*

Moved by A. S. Lown, seconded by J. Gallagher, That the first call of fifteen per cent. be made on the following stock:—

Charles White, Drayton, Ont., five shares..... $500.
—*Carried.*

Moved by J. Gallagher, seconded by J. Watson, That a call of ten per cent. be made on the following stock, payable on the 1st day of March, 1905; Charles White, five shares, $500. Drayton, Ont.—*Carried.*

Moved by A. S. Lown, seconded by J. Gallagher, That the sum of thirty dollars be paid to the Independent Order of Foresters for the current month's rent of the premises occupied by The Farmers Bank of Canada, as a temporary office, and a cheque be issued by President and Secretary for the same.—*Carried.*

The meeting then adjourned until the 8th February, 1905.

"ALEXANDER FRASER",
Secretary.

Read and confirmed at a meeting of the Provisional Board, held on the 8th February, 1905, at Toronto.

"JOHN FERGUSON",
Chairman.

8th February, 1905:

Minutes of meeting of the Provisional Board of

THE FARMERS BANK OF CANADA,

held on the 8th day of February, 1905, at No. 118, King Street West, Toronto.

Present:

There were present:—

DR. FERGUSON, Chairman.
JAS. GALLAGHER.
J. WATSON.
A. S. LOWN, and
ALEXANDER FRASER, Secretary.
MR. C. H. SMITH was also present.

The minutes of the meeting of the 23rd December, 1904, 9th January, 1905, were read and approved of.

The report of the Chairman and Secretary *re* Mr. Wm. Beith assuming charge of the office, was read and approved of on motion of Mr. J. Watson, seconded by Mr. Jas. Gallagher.

It was moved by Mr. A. S. Lown, seconded by Mr. Jas. Gallagher, That the fees and travelling expenses of directors for attending the last three and present meeting, ie., December 22nd, 1904, January 9th, 1905, January 23rd, 1905, and February 8th, 1905, be paid, and that cheques be issued accordingly.

It was moved by Mr. Watson, seconded by Mr. Gallagher, That the meeting adjourn until 12.30 on the day following.—*Carried.*

9th February, 1905:

On re-assembling on the 9th February, 1905, with same gentlemen present as on the previous day, cheques were issued as above provided for, and the following resolutions were carried:—

Moved by Jas. Gallagher, seconded by Mr. J. Watson, that the motion appointing Mr. Fraser as Secretary-Treasurer of the Provisional Board of the Directors be and is hereby rescinded, and that Mr. Wm. Beith be and is hereby appointed Secretary-Treasurer of the Provisional Board of The Farmers Bank of Canada.

Moved by Mr. J. Watson, seconded by Mr. J. Gallagher, that the Board do now adjourn until Monday next, 13th inst., at three o'clock.—*Carried.*

"ALEXANDER FRASER",
Secretary.

Read and confirmed on the 13th February, 1905.

"JOHN FERGUSON",
Chairman.

13th February, 1905:

Minutes of meeting of Provisional Board of the Farmers Bank of Canada, held on the 13th day of February, 1905, at No. 118, King St. West, Toronto, pursuant to adjournment.

Present:

There were present:

DR. FERGUSON, Chairman.
JAMES GALLAGHER.
JOHN WATSON.
A. S. LOWN.
ALEXANDER FRASER.

Mr. C. H. Smith was also present.

Minutes:

The minutes of the previous meeting were read by Mr. Fraser.

Moved by Mr. A. S. Lown, seconded by J. Gallagher, that the minutes as read be approved.—*Carried.*

Secretary Pro Tem:

Moved by Alex. Fraser, seconded by J. Watson, that in the absence of Mr. Beith, Mr. Gallagher be Secretary *pro tem.*—*Carried.*

Account, A. Fraser:

The account of Aler. Fraser of monies paid out by him amounting to $207.07 was read.

Moved by J. Watson, seconded by A. S. Lown, that the account of Mr. Fraser amounting to $207.07 be paid.—*Carried.*

Chairman Dr. Ferguson Rescinded, and A. S. Lown Appointed:

Moved by J. Watson, seconded by J. Gallagher, that the motion appointing Dr. John Ferguson, Chairman of the Provisional Board of Directors of the Farmers Bank of Canada be and is hereby rescinded, and that Mr. A. S. Lown is hereby appointed chairman of the Provisional Board of Directors of the Farmers Bank of Canada. Mr. Fraser dissenting.—*Carried.*

Mr. A. S. Lown then took the chair.

Reduced Directors' Fees:

Moved by Dr. J. Ferguson, seconded by Alex. Fraser, that whereas it is manifested that the promotion expenses will be heavy it is deemed unwise for the Provisional Directors to accept any remuneration for their services other than their necessary travelling expenses and legitimate disbursements, and whereas the Provisional Directors of the Farmers Bank of Canada have received certain sums for attending upon meetings, be it resolved that the same be at once refunded.—*Lost.*

Return Stockholders' Money:

Moved by Dr. John Ferguson, seconded by Alex. Fraser, That in view of the fact that the charter of the Farmers Bank will lapse at an early date, and it is evident going to be grave difficulties in the way of disposing of the Capital Stock of the Bank, be it resolved that all moneys paid in shares now placed be returned and the expenses up to date be defrayed equally by the Provisional Directors.—*Lost.*

Extension of Charter:

Moved by Dr. John Ferguson, seconded by Alex. Ferguson, That an application be forthwith made to the Parliament of Canada that an extension of time be granted to the charter of the Farmers Bank of Canada; that Mr. Lown be and is hereby empowered to take the necessary steps to secure the necessary extension.—*Carried.*

Adjourned:

The Meeting then adjourned on motion of J. Watson and J. Gallagher.

"A. S. LOWN",
Chairman.

"JAMES GALLAGHER",
Secretary Pro Tem.

Read and approved the 10th day of April, A.D. 1905.

10th April, 1905:

Minutes of Meeting of the Provisional Board of the Farmers Bank of Canada, held on the 10th day of April, 1905, at 2 o'clock in the afternoon, at 118 King St. West.

There were present:—

A. S. LOWN, Chairman.
JOHN WATSON.
DR. JOHN FERGUSON.
ALEXANDER FRASER.
JAS. GALLAGHER, also
C. H. SMITH.

Minutes:

Moved by Mr. John Watson, seconded by A. Fraser, That Mr. Gallagher be Secretary *pro tem.* The minutes of the previous meeting were read and confirmed.

Accounts:

Moved by Mr. John Watson, seconded by Mr. Alexander Fraser, that the following accounts be paid:

North American Life Assurance Co., for rent office, February	$ 55.00
A. S. Lown, Government Fees *re* Act	216.40
A. S. Lown, Rent office, Temple Building or Manning Chambers	75.00
Office Specialty Co., Furniture	101.35
Grand & Toy	80.45
Jas. Dick, Caretaking office	12.00
North Am. Life Ass. Co., Office Rent March :	55.00

—*Carried.*

Cheque, C. H. Smith:

Moved by J. Gallagher, seconded by J. Watson, That a cheque be issued in favor of C. H. Smith for Two hundred dollars on account of office services. —*Carried.*

Communications.

Resignations, Wm. Beith and W. H. Smith:

Letters were read from Mr. Wm. Beith tendering his resignation as Secretary and Treasurer and from W. H. Smith, withdrawing from proposed Permanent Board of Directors, but expressing his willingness to consider accepting position when a new Board would be formed.

Wm. Beith Resignation Accepted:

Moved by Mr. Jas. Gallagher, seconded by Mr. Jno. Watson, That the resignation of Mr. Wm. Beith as Secretary and Treasurer of the Farmers Bank of Canada be and is hereby accepted.—*Carried.*

W. H. Smith Resignation Accepted:

Moved by Jno. Watson, seconded by Mr. A. Fraser, That the resignation of Mr. W. H. Smith be accepted.—*Carried.*

Report re Charter Est.

Mr. Lown reported that he had made application to the Parliament of Canada for an extension of the time for obtaining the certificate from the Treasury Board. The requisite petition had been presented and the bill would come up before the Banking Committee of the House of Commons, on Wednesday, the 12th day of April, when he would attend and endeavor to have it put through the Committee.

Secy-Treas. C. H. Smith:

Moved by Mr. Jas. Gallagher, seconded by Mr. Jno. Watson, That Mr. C. H. Smith be and is hereby appointed Secretary and Treasurer to the Provisional Board of Directors of the Farmers Bank of Canada.—*Carried.*

Cheque, W. H. Smith:

Moved by Dr. Jno. Ferguson, seconded by Mr. A. Fraser, That Mr. W. H. Smith be and is hereby appointed Secretary and Treasurer to the Provihim to satisfy the claim of Fox & Ross.—*Carried.*

Adjournment:

Moved by Mr. Jno. Watson, seconded by Mr. A. Fraser, That we do now adjourn to meet again at call of the Chairman.—*Carried.*

Read and approved this 2nd day of May, A.D. 1905.

"A. S. LOWN",
Chairman.
"C. H. SMITH",
Secretary.

2nd May, 1905:

Minutes of Meeting of the Provisional Directors of the Farmers Bank of Canada, held on the 2nd day of May, 1905, at 2 o'clock in the afternoon ,at 118, King St. West.

Present:

All members of the Board were present.

Minutes:

Moved by Mr. John Watson, seconded by Mr. James Gallagher, that the minutes of the last meeting be adopted as read.—*Carried.*

Communication, R. Beith:

Moved by Mr. James Gallagher, seconded by Dr. John Ferguson, That the communication of Mr. Robert Beith be received and filed.—*Carried.*

Accounts:

Moved by Mr. A. Fraser, seconded by Mr. John Watson, that the following accounts be paid:—

John Kay & Son	$ 20.00	
Alexander & Cabel	10.00	
Davis & Henderson	13.00	
Graham & Horrop	111.25	
United Typewriter Co	121.00	
J. Dick	12.00	
North Am. Life Co. Rent, April	55.00	$342.25

—*Carried.*

Agreement Grant:

Moved by Dr. John Ferguson, seconded by Mr. James Gallagher, That the agreement between the Provisional Directors of the Farmers Bank of Canada and Mr. Gideon Grant, of Toronto, regarding the disposal of the Capital Stock of the Bank be approved of and duly executed.—*Carried.*

Directors' Fees:

Moved by Mr. John Watson, seconded by Dr. John Ferguson, That the following accounts of the members of the Provisional Directors for attending Board meeting be paid:

James Gallagher,	3	meetings	at $20	Trav. $6.10		$ 78.30
John Watson,	3	"	" 20	" 5.00		75.00
A. S. Lown,	3	"	" 10			30.00
Dr. J. Ferguson,	3	"	" 10			30.00
A. Fraser,	3	"	" 10			30.00
						$243.30

—*Carried.*

Adjournment:

Moved by Mr. John Watson, seconded by Dr. John Ferugson, That we do now adjourn to meet again at call of Chairman.—*Carried.*

Read and confirmed this 7th day of November, 1905.

"A. S. Lown",
Chairman.

"C. H. Smith",
Secretary.

7th November, 1905:

A Special Meeting of the Provisional Directors, held at their office, 118 King St. West, Tuesday, November 7th, 1905, for the purpose of receiving and considering the financial statement of the Secretary-Treasurer, allot stock, make calls on shareholders AND to consider an offer to complete the organization of the Bank and float balance of stock.

Members:

All members of the Board were present.

Minutes:

It was moved by Mr. John Watson, seconded by Dr. John Ferguson, That the minutes be adopted as read.—*Carried.*

Financial Statement:

The Secretary-Treasurer presented a financial statement of the affairs of the Bank up to and including 31st October, 1905.

Statement Confirmed:

It was moved by Mr. John Watson, seconded by Mr. A. Fraser, that the statement be received and adopted and all payments set out therein be confirmed.—*Carried.*

Audit:

Moved by Dr. J. Ferguson, seconded by Mr. John Watson, that Messrs. Fraser and Gallagher audit the accounts up to date.—*Carried.*

Audit Confirmed:

The books were audited by Messrs. Fraser and Gallagher who reported that they had found them correct.

Allotment:

Moved by Dr. John Ferguson, seconded by Mr. John Watson, that the number of shares of the capital stock of the Farmers Bank of Canada hereunder set opposite their respective names hereunder written and which have been duly subscribed for by them be allotted to them and a call be made on them for the percentage of their shares payable on allotment in accordance with the terms of their application.—*Carried*:

Webster, S.	Norval, Ont.	10	shares	$ 1,000
Groves, A.	Fergus, Ont.	100	"	10,000
Elsley, L.	Nassowagaweya	7	"	700
Forget, A. S.	Regina	50	"	5,000
Vesger, J. S.	Montreal, Que.	1	"	100
Ryan, J. G.	Elizabeth, N. J.	1	"	100
Fortier, J.	Montreal, Que.	2	"	200
Lavertine, L. V.	" "	3	"	300
Boirin, E.	" "	2	"	200
Munro, J.	Embro, Ont.	50	"	5,000
Davidson, W. F.	Drayton, Ont.	2	"	200
Sutherland, G. A.	Embro, Ont.	5	"	500
McKay, A.	Holiday, Ont.	5	"	500
McKay, H.	" "	5	"	500
Geddes, W. J.	Embro, Ont.	10	"	1,000
Sutherland, G.	Chicago, Ill.	10	"	1,000
Haseltine, W. H.	Rothsay, Ont.	10	"	1,000
Gibson, J. L.	Linden, Ont.	2	"	200
Elsley, L.	Nassowagaweya, Ont.	3	"	300
Newman, R. A.	Detroit, Mich.	50	"	5,000
Stevens, F. P.	" "	20	"	2,000
Walker, J.	Niagara-on-the-Lake	2	"	200
Murray, C.	Embro, Ont.	10	"	1,000
Sutherland, F.	Golspie, Ont.	5	"	500
Sutherland, M.	"	5	"	500
Brand, C. A.	Embro, Ont.	5	"	500
Walsh, Mrs J.	Hollin, Ont.	6	"	600
Ferguson, A.	Edinburgh, Scot.	10	"	1,000
Lindsay, J.	Fergus, Ont.	10	"	1,000
Lathrop, F. E.	Arnuda, Mich.	10	"	1,000

Agreement, A. L. Dewar:

Moved by Mr. John Watson, seconded by Dr. John Ferguson, That the agreement as read between the Provisional Directors of the Farmers Bank of Canada and Mr. A. L. Dewar be signed by the Directors.—*Carried.*

Accounts:

Moved by Mr. John Watson, seconded by Dr. John Ferguson, That the following accounts be paid, viz:—

North American Life Assce. Co., Rent to 1st Nov. 1905..	$25.00
J. Dick, care of office	4.00
The Print Shop, J. W. Sutherland, printing	8.00
Cheques issued to Directors for attending this meeting...	81.00

—*Carried.*

Moved by Mr. J. Gallagher, seconded by Mr. A. Fraser, That A. S. Lown and C. H. Smith be and are hereby authorized to sign cheques for all necessary expenses subject to the subsquent approval of the Board.—*Carried.*

Adjournment:

Moved by Mr. John Watson, seconded by Mr. J. Gallagher, That this meeting do now adjourn to meet at the call of the Chairman.—*Carried.*

Read and confirmed this 6th day of November,
A.D. 1906.

"A. S. Lown",
Chairman.

March 10th, 1906, 10 a.m.:

A special meeting of the Provisional Board was held at their office, 118 King St. West, Toronto, Saturday, March 10th, 1906, for the purpose of considering the appointment of a General Manager, approving of agreement with said manager, to receive financial statement up to 1st March, also to receive communication of Urquhart, Urquhart & McGregor, and to act upon same, and pass accounts and to make allotment to agents for sale of stock of the Bank.

Present:

Members of the Board present: A. S. Lown, Jno. Ferguson, Alex. Fraser and John Watson.

Letters, Urquhart, Urquhart & McGregor:

Letter addressed to Mr. A. Fraser from Urquhart, Urquhart & McGregor, offering the name of Mr. Thos. Urquhart as a member of the Permanent Board and asking further appointment as Solicitors for the Bank and for an option of $150,000 worth of the Capital Stock of the Company for one month for subscription at a commission of ten per cent. A second letter from same firm to said Fraser approving of draft agreement between the Provisional Board and W. R. Travers was also received.

Moved by Mr. Jno. Watson, seconded by Mr. A. Fraser, That the proposal contained in the letter of Urquhart, Urquhart and McGregor of the 10th March, 1906, addressed to Alexander Fraser, be agreed to and action thereon taken forthwith.—*Carried.*

Allotment of stock for Subscription, U.U. & McG. & C.H.S.:

Moved by Dr. John Ferguson, seconded by Mr. Alex. Fraser, That $150,000 of the stock of the Bank be set aside to the firm of Messrs. Urquhart, Urquhart & McGregor for subscription for the period of one month from March 12th, 1906, and Two hundred and fifty thousand dollars on similar conditions to C. H. Smith.—*Carried.*

Travers' Agreement:

Moved by Dr. Jno. Ferguson, seconded by Mr. A. Fraser, That the agreement between the Provisional Directors of the Farmers Bank of Canada and W. R. Travers as to his being the general manager of the Bank, as presented in duplicate, be and is hereby adopted, and that the same be executed forthwith.—*Carried.* Watson voting nay.

Stock Reserved for U.U. & McG. and Smith:

Moved by Alexander Fraser, seconded by John Watson, That we reserve the sum of $500,000 stock to be sold by Messrs. Smith, and Urquhart Urquhart & McGregor in such proportions as we may afterwards determine and subject to such conditions as we see fit.—*Carried.*

Mr. Lown vacated the chair and it is now moved by Dr. J. Ferguson, and seconded by A. Fraser, That Mr. Jno. Watson take the chair.—*Carried.*

Provision made for Lown and Smith:

Moved by Dr. J. Ferguson, seconded by Alex. Fraser, That the Provisional Board hereby agrees that provision be made for Messrs. A. S. Lown and C. H. Smith, as originators of the Bank, by giving them positions in the the Bank on its organization, Mr. Lown as Secretary and Mr. Smith as a

Manager of a Branch Bank or at least its equivalent in the Head Office, and in the event of these not being continued to a period to be agreed upon between Mr. Lown and Mr. Smith, and Mr. Travers, the prospective General Manager, an adequate allowance be made by pension or bonus on retirement, and that Dr. Ferguson and Alex. Fraser be empowered to execute this agreement with Mr. Travers on behalf of the Provisional Board.—*Carried.*

Accounts:

Moved by John Watson, seconded by Alex. Fraser, That the rent account for February, 1906..... $25.00
J. Dick's account, care office, February, 1906..... 4.00
C. H. Smith account..... 4.60
be paid.—*Carried.*

Directors' Fees:

Moved by J. Watson, seconded by A. Fraser, That the expenses and fees of the members of the Board for attending this meeting be paid as follows:—

A. Fraser	$10.00	
A. S. Lown.....	10.00	
Dr. J. Ferguson.....	10.00	
Jno. Watson	25.00	$55.00

—*Carried.*

Allowance, Fraser and Ferguson:

Moved by Dr. J. Ferguson, seconded by Alex. Fraser, That an allowance of Three thousand dollars be made to Alexander Fraser and Dr. Jno. Ferguson each for their services and outlays as Provisional Directors in the organizations of the Bank, and that the same be paid when the Bank is ready for business.—*Carried.* Watson voting contra.

Statement to 1st March:

Moved by Dr. J. Ferguson, seconded by Jno. Watson, That the accounts submitted up to March 1st, 1906, be confirmed.—*Carried.*

Groves' Letter:

Letter was read from Dr. Groves asking leave to withdraw his subscription to Capital stock of the Bank. No action was taken.

Nixon and Webster:

The Secretary mentioned the case of Dr. Nixon and Webster *re* money not remitted by Mr. Porter. No action was taken.

Adjournment:

Moved by J. Watson, seconded by Mr. Fraser, That this meeting do now adjourn.—*Carried.*

Read over and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",
Chairman.

March 21st, 1906:

Meeting of the Provisional Board.

Present:

Present: A. S. Lown, Jno. Watson, J. Ferguson and A. Fraser.
In absence of Mr. C. H. Smith, Mr. Fraser acted as Secretary.

Prospectus Approved:

Moved by Dr. J. Ferguson, seconded by J. Watson, That the prospectus as presented be approved of.—*Carried.*

Cheques Signed by:

Moved by Dr. J. Ferguson, seconded by Jno. Watson, That the cheques on the Traders Bank be signed by Mr. Lown and countersigned by Mr. J. D. Ivey or Thos. Urquhart.—*Carried.*

Moved by Dr. J. Ferguson, seconded by Jno. Watson, That notice for renewal of charter be given through Urquhart, Urquhart & McGregor, Provisional Solicitors for the Bank.—*Carried.*

Proxies:

Moved by Dr. Ferguson, seconded by Jno. Watson, That the proxies to be given for stockholders in the name of one or more of the gentlemen who have allowed their names to go the Permanent Board.—*Carried.*

Travers:

Moved by Dr. John Ferguson, seconded by John Watson, That we desire to express our complete satisfaction with the progress which W. R. Travers has made in the organization of the Bank up to date and that we will not bind him to the obtaining of $100,000 subscription for stock as contained in agreement between us and him of March 12th last, provided we are satisfied with the progress he shall have made on April 12th next.—*Carried.*

Adjournment:

The meeting then adjourned.

Read and confirmed this 6th day of November, 1906.

"A. S. Lown",
Chairman.

April 3rd, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Tuesday, April 3rd, 1906, for the purpose of reconsidering resolution regarding the countersigning of cheques on The Traders Bank and to make agreement and extend time for selling stock by C. H. Smith.

Members present: A. S. Lown, Alex. Fraser, John Ferguson and J. Watson.

Moved by Alexander Fraser, seconded by John Watson, That the resolution passed at the meeting of the Provisional Board, held on the 21st March, 1906, regarding the countersigning of cheques on the Traders Bank by either Mr. Thomas Urquhart or Mr. J. D. Ivey, Toronto, shall be and is hereby made non-effective until it shall have been further considered and finally determined upon by a further resolution of this Provisional Board, and that until this matter shall have been so disposed of such cheques shall be signed as heretofore.—*Carried.*

Moved by Dr. Ferguson, seconded by A. Fraser, That the agreement read as between the Provisional Board and Mr. C. H. Smith regarding extending the time allowed to him for the sale of stock be and is hereby agreed to. —*Carried.*

Moved by J. Watson, seconded by Alex. Fraser, That the following be paid their meeting expenses for the last two meetings, March 21st, and April 3rd, 1906:

Dr. J. Ferguson	$20	
A. Fraser	20	
A. S. Lown	20	
J. Watson	50	$110

—*Carried.*

Meeting adjourned.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. LOWN",
Chairman.

April 19th, 1906:

A Special Meeting of the Provisional Board was held at the office of the Bank, 118 King St. West, Thursday, April 19th, 1906, at 1.30 p.m., for the consideration of a letter dated the 16th of April, 1906, from Mr. W. R. Travers and other business.

Members present: Messrs. Lown, Watson, Ferguson and Fraser.

The Chairman read letter from Mr. Travers, after discussion of same, no action was taken.

Moved by Dr. Ferguson, seconded by Mr. Alexander Fraser, That after careful consideration the Provisional Board feel satisfied with the progress made up to date, and it is therefore resolved that Mr. Travers be confirmed in his position and the agreement made permanent until the organization of the Bank has been completed, provided the same be accomplished within a period of six months from eleventh of April, 1906, or such further time as the Provisional Board may determine.—*Carried.*

Moved by Dr. Ferguson, seconded by Alex. Fraser, Resolved that Mr. C. H. Smith be continued in his position as Secretary and Treasurer of the Provisional Board, keep minutes of its meetings, deposit moneys and perform such clerical duties as the Board from time to time may determine, but that all matters pertaining to the organization of the Bank shall be in the control of the General Manager and Provisional Board, except in so far as the selling of stock has already been provided for.—*Carried.*

Moved by Dr. Ferguson, seconded by Mr. J. Watson, And resolved, that all subscriptions taken in Scotland be deposited with the National Bank of Scotland to the credit of the Farmers Bank of Canada, and that Mr. Travers communicate with the National Bank of Scotland as to the withdrawal of such funds.—*Carried.*

Meeting adjourned.

Read and confirmed this 6th day of November, 1906.

"A. S. LOWN",
Chairman.

April, 30th, 1906:

A Special Meeting of the Provisional Board was held at the office of the Bank, 118 King St. West, Toronto, Monday, April 30th, 11 a.m., 1906, for the purpose of allotting stock.

Members present: Messrs. Lown, Fraser and Ferguson.

Moved by Mr. A. Fraser, seconded by Dr. Ferguson, That the following stock is hereby allotted to the following shareholders, namely:

Paterson, W. A.	Flint, Mich.	10	shares.	$1,000
Sutherland, George A.	Embro, Ont.	5	"	500
Simpson, G. A.	Leamington, Ont.	10	"	1,000
Morse, G. A.	" "	5	"	500
Nelson, J. H.	Kingsville, "	20	"	2,000
Samson, James.	Windsor, Ont.	5	"	500
Watt, J. A.	Salem, Ont.	1	"	100
Charlton, Thomas.	Tonawanda, N.W.	30	"	3,000
McLennan, R. R.	Cornwall, Ont.	50	"	5,000
Webb, Thomas.	Brighton.	10	"	1,000
Gilchrist, A.	Caledonia.	3	"	300
Armstrong, R. W.	Bracebridge.	1	"	100
Harris, Miss M. A.	Toronto.	2	"	200
Witham, A. J.	St. Catharines.	25	"	2,500
Wise, Henry.	"	5	"	500
McMillan, Miss I.	Hamilton,	5	"	500
Brown, J G.	Humber Bay.	2	"	200
Barnnill, W. J.	Norval.	2	"	200
Noble, R.	"	30	"	3,000
Hunter, F.	"	10	"	1,000
Cook, J. E.—.	Hamilton.	4	"	400
Day, G. H.	Norval.	3	"	300
Turner, W. D.	"	2	"	200
Watson, Sr., Robt.	"	5	"	500
Anthony, F. W.	"	1		100
Early, M. J.	"	6	"	600
Skeyes, A.	Glenwilliams.	10	"	1,000
Tumulty, T. H.	Madoc.	1	"	100
Hyatt, W.	Norval.	10	"	1,000
Hunter, J.	"	1	"	100
Chisholm, W.	Antigonish, N. S.	3	"	300
Cook, J. C.	Norval.	5	"	500
Switzer, J. C.	"	5	"	500
Leslie, M.	Georgetown.	5	"	500
Leslie, R. F.	"	10	"	1,000
Summers, J.	Cornish.	1	"	100
Fisher, A. E.	Whitehorse, Yukon.	5	"	500
Eccles, J.	Glenwilliams	10	"	1,000
Showler, T. W.	Arkono, Ont.	10	"	1,000
Hobson, A.	Parkhill.	15	"	1,500
Dickison, T.	Arkona.	4	"	400
Dickison, J.	"	5	"	500
Hunter, J. W.	Toronto.	5	"	500
Ellis, J. S.	"	1	"	100
Green, C. J.	Kingsville.	2	"	200
Smith, A. E.	Parkhill.	4	"	400
Bowley, J.	Strathroy.	10	"	1,000
Sunstrum, J.	Ottawa.	25	"	2,500
Merner, S.	Berlin.	50	"	5,000
McKinnon, D. P.	Finch.	10	"	1,000
McMillan, D. A.	"	5	"	500
Simpson, J. P.	"	3	"	300
Adams, Benj.	"	5	"	500
Seeze, D. M.	"	5	"	500

—*Carried.*

Meeting then adjourned.

"A. S. Lown",
Chairman.

May 15th, 1906:

A Special Meeting of the Provisional Board was held at the office of the Bank, 118 King St. West, Tuesday, the 15th day of May, 1906, at 11.30 a.m., for the purpose of allotting stock.

Members present: Messrs. Lown, Fraser and Ferguson.

Moved by Mr. A. Fraser, seconded by Dr. Ferguson,
That the following stock is hereby allotted to the following shareholders, namely:

Sutherland, Donald	Golspie	3	shares	$300
Showler, F. W	Arkona	20	"	2,000
Moore, Miss Louise	"	1	"	100
Smith, Mrs. Sarah	"	1	"	100
Smith, George	"	10	"	1,000
Copeland, E. M., M.D	"	5	"	500
Greenlees Bros	Milton	10	"	1,000
Kerr, John		50	"	5,000
Waters, Wm	Springbank	10	"	1,000
Waters, Mrs. Sarah	"	10	"	1,000
McLachlin, J. C	Norval	2	"	200
Sutherland, Jas	Holiday	10	"	1,000
Darrah, Robert		10	"	1,000
Scott, W. N		50	"	5,000
Daniels, Geo	Milton West	5	"	500
Cheyne, Luther	Brampton	5	"	500
McCann, Ed., Jr		10	"	1,000
Bell, Geo. Angus	Lowville	3	"	300
Powell, Henry Howell	"	15	"	1,500
McCall, Hugh Angus	Milton	10	"	1,000
Dewar, Duncan	"	5	"	500
Stewart, John	"	5	"	500
Hunter, John	"	15	"	1,500
Ford, John A	Omagh	5	"	500
Sutherland, Robert	Golspie	5	"	500
Sutherland, Hugh	Holiday	5	"	500
Elliott, Wm	Milton	5	"	500
Dewar, John	"	5	"	500
Irving, John	"	5	"	500
Panton, Wm	"	10	"	1,000
McLeod, John	"	1	"	100
Scott, J. B	"	5	"	500
Mathers, Albert	Guelph	5	"	500
Brandon, J. S	Milton	5	"	500
Storey, Geo	"	50	"	5,000
Muir, Gertrude	Finch	5	"	500
MacDowall, Wm. Samuel	"	5	"	500
McCuaig, Malcolm	Perevil, P.Q	10	"	1,000
Cattanach, J. F	North Lancaster	2	"	200
McCuaig, Donald	Dalhousie Station	5	"	500
McDonald, P. D	Bridge End	2	"	200
Beaty, Wm. Thomas	Omagh	50	"	5,000
Elliott, Dollie	Milton	1	"	100
Foster, Jas	Moray	10	"	1,000
McLachlin, Donald	Parkhill	1	"	100
Augustine, A. W	Arkona	1	"	100
Foster, Jos., Sr	Greenway	1	"	100
Kemp, D. C	Hornby	50	"	5,000
Bate, Jos. E		50	"	5,000
Guir, Jennie B	Milton	50	"	5,000
Hunter, Wm	Ashgroves	25	"	2,500
Hunter, Thomas	Norval	25	"	2,500
Elliott, J. W	Milton	5	"	500
Roper, J. P	"	1	"	100
Sproat, John	Mansewood	100	"	10,000

Edmonstone, James	Balaclava	4 shares	$400
Gillies, Mary	Watford	1 "	100
Thompson, Lizzie	"	1 "	100
Sanders, Annie N.	Tillsonburg	5 "	500
Sanders, Wm. H.	"	5 "	500

Carried, May 15th, 1906, A. S. Lown, Chairman.
Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",
Chairman.

May 22nd, 1906:

A Special Meeting of the Provisional Board was held at the office of the Bank, 118 King St. West, Tuesday, May 22nd, 1906, at 11 o'clock a.m., for the purpose of allotting stock.

Members present, Messrs. Lown, Ferguson and Fraser.

Moved by A. Fraser, seconded by Dr. Ferguson,

That the following stock is hereby allotted to the shareholders, namely:—

Dewar, John	Milton, Ont.	5 shares.	$500
Sayers, Peter	Guelph	10 "	1,000
McDuffe, P. A.	Omagh	10 "	1,000
Castle, George	Lowville	10 "	1,000
Shortread, John H.	Mansewood	5 "	500
McCallum, Finlay	Milton	10 "	1,000
Scott, Mary Moore	"	10 "	1,000
Scott, Flora	"	10 "	1,000
Ford, James	Boyne	50 "	5,000
Pell, John	Omagh	10 "	1,000
Aitkens, Thomas	Milton	25 "	2,500
Dixon, W. A.	"	50 "	5,000
Whitney, W. P.	"	1 "	100
Pearce, Edith Estella	Springford	5 "	500
Bunt, Wm. Thomas	"	2 "	200
Somerville, Wm.	St. Mary's	10 "	1,000
Moffatt, James	Kelso	10 "	1,000
Thompson, Geo. H.	Hornby	50 "	5,000
Emerson, Andrew	Zimmerman	50 "	5,000
Joyce, Clark	Mansewood	5 "	500
Dewar, W. F.	Milton	10 "	1,000
Joyce, Robert	Mansewood	10 "	1,000
Bridgman, Burwell	Zimmerman	1 "	100
Morratt, James F.	Markentown	3 "	300
Robertson, Hugh	"	5 "	500
Robertson, Duncan J.	"	10 "	1,000

Carried, May 23rd, 1906, A. S. Lown, Chairman.
Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",
Chairman.

June 6th, 1906:

A Special Meeting of the Provisional Board was held at their office, 118 King St. West, Wednesday, June 6th, 1906, at 11 o'clock a.m., for the purpose of allotting stock.

Moved by A. Fraser, seconded by Dr. Ferguson,
That the following stock is hereby allotted to the following shareholders, namely:

O'Hagan, James	Toronto, Ont	1	share.	$100
Murray, James	Mansewood	10	shares.	1,000
Galloway, Chas. E	Milton	5	"	500
Ewing, Jas	Eden Mills	5	"	500
Hollinrake, C. E	Milton	5	"	500
Alderson, Thos	Drumquin	5	"	500
Howden, Thos	Milton	5	"	500
Coulson, John	Kilbride	25	"	2,500
Bowie, S. S	Milton	2	"	200
Coulson, Wm. J	Kilbride	5	"	500
Bradshaw, John L	Stratford	5	"	500
Wilson, Isabella	Edinburgh	2	"	200
Robertson, Wm	Hamilton	5	"	500
Cruikshank, Anne	"	10	"	1,000
Hume, John	Scotch Block	5	"	500
Andrews, Jos. W	Milton	2	"	200
Suert, Jane	"	3	"	300
Stewart, John	"	10	"	1,000
Bell, Geo. A	Lowville	7	"	700
Ford, John F	Omagh	50	"	5,000
Cox, Thomas	Milton	50	"	5,000
McDuffe, P. A	Omagh	15	"	1,500
Kennedy, Wm. H	Hornby	5	"	500
Powell, H. H	Lowville	15	"	1,500
Pearce, Edith E	Springford	5	"	500
Ross, And. J	Nairn	1	"	100
McGregor, Chas. D	Milton	5	"	500
Wilson, Hugh E	Keyser	5	"	500
Kelly, P. J	Stratford	10	"	1,000
Fraser, Edna S	Surgoinsville	2	"	200
Handy, Lottie O. M	"	1	"	100
Handy, F. T	"	1	"	100
Roper, John P	Milton	4	"	400
Darling, Robt. A	Mansewood	5	"	500
Clements, Matthew	Milton	5	"	500
Denoon, Geo	"	20	"	2,000
Bridgman, Burwell	Zimmerman	4	"	400
Mowbray, John Wesley	Camden East	6	"	600
Haydon, James Shirley	"	10	"	1,000
Ford, Edward	Omagh	15	"	1,500
Fox, Robert	"	15	"	1,500
Ratz, John	Kniva	10	"	1.000

Carried, June 6th, A. S. Lown, Chairman.
Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",
Chairman.

June 23rd, 1906:

A Special Meeting of the Provisional Board was held at their office, 118 King St. West, Toronto, Saturday, June 23rd, 1906, at 10 a.m.

Members present.

Dr. Ferguson explained the object of the Meeting.

Moved by Dr. John Ferguson, seconded by Mr. James Gallagher, That whereas it appears that notes have been accepted by agents in settlement of subscriptions to stock, be it resolved that the opinion of Messrs. Urquhart, Urquhart & McGregor be secured at once as to the legality of accepting by the Provisional Board such settlements and the payment of commissions on such subscriptions.—*Carried.*

Moved by Mr. A. Fraser, seconded by Mr. James Gallagher, That instructions be given to Mr. Travers that no note be accepted in lieu of cash for payment

of stock and that no agent or sub-agent employed by him accept the same, but that the conditions set forth in the form of application be adhered to on a cash basis, unless otherwise specially authorized by the Board.—*Carried.*

Meeting adjourned.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",
Chairman.

July 4th, 1906:

A Meeting of the Provisional Board of Directors was held at the office of the Bank, 118 King St. West, Toronto, Wednesday, July 4th, 1906, at 2 p.m.

Members all present.

The Chairman read a letter from Urquhart, Urquhart & McGregor *re* taking of notes in payment of stock.

Moved by Dr. John Ferguson, seconded by James Gallagher, That in consideration of the letter of Messrs. Urquhart, Urquhart & McGregor, regarding the acceptance of notes on subscriptions of stock, the resolution of 23rd June, 1906, calling for the selling of stock on a cash basis be repealed.—*Carried.*

Moved by Dr. John Ferguson, seconded by John Watson, That the sum of ten thousand dollars ($10,000.00) on account of commissions for the sale of the Capital stock of the Bank be paid to Mr. W. R. Travers.—*Carried.*

Moved by Dr. John Ferguson, seconded by Alex. Fraser, That all cheques on the Traders Bank of Canada issued by the Farmers Bank of Canada be countersigned by W. R. Travers.

Moved by Dr. John Ferguson, seconded by John Watson, That the agreement entered into this day between W. R. Travers, C. H. Smith, and Messrs. Watson, Gallagher, Lown, Ferguson and Fraser be confirmed and signed.—*Carried.*

Moved by John Watson, seconded by Jas. Gallagher, That Messrs. Lown, Gallagher, Ferguson and Fraser, or a majority of them, be an Executive Committee of the Board to make allottments of stock.—*Carried.*

Moved by Dr. John Ferguson, seconded by John Watson; That the Chairman of the Board, the Secretary Treasurer of the Board, and W. R. Travers, General Manager, be authorized to endorse all notes made in favor of the Bank, for the purpose of raising money to make deposits with the Treasury Board of the Dominion Government.—*Carried.*

Moved by Dr. J. Ferguson, seconded by A. Fraser, That the following stock is hereby allotted to the following shareholders:—

Logie, James	Nassagaweya	5	shares.	$500
Bowman, Wm	Georgetown	5	"	500
McCullough, Robert C	"	5	"	500
Brown, Robert L	"	50	"	5,000
Lindsay, James R	"	5	"	500
Edmonstone, James	Balaclava	4	"	400
Peddie, John	Milton	5	"	500
Peddie, James	"	5	"	500
Elliott, Robert A	"	5	"	500
Leslie, J. T	Norval	2	"	200
Bingham, John	Georgetown	1	"	100
Wilson, W. G	Ashgrove	5	"	500
Laird, George	"	10	"	1,000
Kennedy, George A	Milton	10	"	1,000
McCann, Mrs. Rebecca	Omagh	5	"	500
McCallum, M	Ashgrove	2	"	200
Chisholm, Leonard W	Limehouse	1	"	100
Hoare, William	Glenwilliams	5	"	500
Bennett, David H	Zimmerman	10	"	1,000

Davis, Chas. G.	Freeman	10	shares	$1,000
Cartwright, John A.	Zimmerman	10	"	1,000
Cummins, Albert G.	Burlington	5	"	500
Sinclair, David	Freeman	5	"	500
Scott, Alexander P.	Brampton	2	"	200
Siple, Richard A.	Burgessville	2	"	200
Griffin, Joshua A.	"	2	"	200
Chapman, John A.	Sandwich	25	"	2,500
Burland, G. B.	Montreal	150	"	15,000
Johnston, Harry F.	Boyne	2	"	200
Fox, Robert W.	Omagh	10	"	1,000
Hamilton, Alice	Milton	10	"	1,000
Hume, Robert	"	10	"	1,000
McLean, William	"	5	"	500
McLean, Mrs. Margaret D.	"	5	"	500
Shortreed, Walter	"	10	"	1,000
Ross, Andrew J.	Nairn	2	"	200
Arnold, Mrs. Agnes	Kingsville	3	"	300
Chapman, H. H.	Brantford	1	"	100
Amey, Elgin B.	Camden East	2	"	200
Stover, Lewis H.	"	10	"	1,000
Dickson, Alexander	"	4	"	400
Stedman, Nathaniel	"	5	"	500
Parrott, Herman H.	"	4	"	400
Lynch, Machael J.	Kingston	5	"	500
Haydon, James A.	Camden East	4	"	400
Osborn, Miss Annie	Glenwilliams	1	"	100
Sloan, William J.	"	5	"	500
Johnston, Mrs. Caroline J.	Boyne	1	"	100
Peddie, James G.	Milton	5	"	500
Porter, Alexander	Omagh	5	"	500
Foster, Hy. A.	Lowville	15	"	1,500
Gunby, Burdge	Kilbride	50	"	5,000
Scott, Mary Moore	Milton	20	"	2,000
Walker, Wm. D.	"	1	"	100
Downs, Edward W.	Drumquin	25	"	2,500
Porter, Alexander	Omagh	5	"	500
Cartwright, Alfred	Zimmerman	10	"	1,000
Sinclair, Wm. G.	"	50	"	5,000
Edmonstone, James	Balaclava	2	"	200
Ford, Edward	Omagh	10	"	1,000
Ford, David F.	Milton	10	"	1,000
Anderson, Robert K.	"	10	"	1,000
Grigg, Emma H.	New York	1	"	100
Brough, James	Springford	5	"	500
Brough, Mrs. Ida L.	"	2	"	200
Randall, Miss Claretta	"	2	"	200
Fuller, E.	Thornhill	5	"	500
Smith, Mathew W.	"	10	"	1,000
Sackrider, Charles	Burgessville	1	"	100
Allin, Jesse	Holbrook	10	"	1,000
Topham, John	Burgessville	2	"	200
Sutherland, Mrs. Sarah E.	Leamington	2	"	200
Ross, A. J.	Nairn	1	"	100
Marshall, James	Glasgow	5	"	500
Ferguson, George	"	15	"	1,500
Murray, John	Embro	5	"	500
Murray, George	"	10	"	1,000
Southcott, J.	Grand Bend	1	"	100
Travers, W. R.	Toronto	50	"	5,000
Lindsay, W. J.	"	50	"	5,000

Carried, July 4th, A. S. Lown, Chairman.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. LOWN",
Chairman.

July 9th, 1906:

A Special Meeting of the Provisional Board was held at their office, 118 King St. West, Toronto, Monday, July 9th, 1906, for the purpose of allotting stock.

Members present: A. Fraser, James Gallagher, Dr. Ferguson and A. Lown.

Moved by A. Fraser, seconded by James Gallagher, That the following stock is hereby allotted to the following shareholders:—

Stork, Ira A.	Mono Mills	1	share	$100
Richardson, J. W.	Glenwilliams	10	"	1,000
Standish, James L.	Upsessing	1	"	100
Near, Frederick S.	Ballinafad	3	"	300
Hoare, Sarah	Glenwilliams	4	"	400
Brown, John K.	Georgetown	20	"	2,000
McDonald, John	Acton	2	"	200
McDonald, Alexander	"	3	"	300
Campbell, John	Glenwilliams	3	"	300
Stalker, John	Acton	2	"	200
Devean, Nathan N.	Toronto	200	"	20,000
Bowland, Bessie K.	Walkerton	10	"	1,000
Thompson, David	"	20	"	2,000
Ford, Mary E.	Omagh	2	"	200
Ford, Ida A.	"	5	"	500
Robinson, Margaret R.	"	5	"	500
Cowan, Charles W.	Ballymote	1	"	100
Norris, Henry	Alliston	5	"	500
Elliott, Thos.	Lowville	10	"	1,000
Robinson, George	Omagh	10	"	1,000
Alwin, Charles S.	Freeman	10	"	1,000
Downs, Albert J.	Drumquin	25	"	2,500
Sinclair, Wm.	Zimmerman	50	"	5,000
Ford, David F.	Omagh	15	"	1,500
Tullis, Harry P.	Glasgow	5	"	500

Carried, July 9th, A. S. Lown, Chairman.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. LOWN",
Chairman.

June 12th, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Thursday, July 12th, 1906, at 10 a.m., for the purpose of allotting stock.

Members present: Dr. Ferguson, Alex. Fraser and A. S. Lown.

Moved by Dr. Ferguson, seconded by A. Fraser, That the following applications for stock in the Farmers Bank of Canada be, and are hereby, allotted:

Starret, Margaret J.	Glenwilliams	1	share	$100
Simpson, Robert	Kilbride	10	"	1,000
Simpson, Mary Ann	"	5	"	500
Phillip, Annie	"	2	"	200
Bell, Robert	Zimmerman	10	"	1,000
Eaton, Allan	Mt. Nemo	100	"	10,000

Carried, July 12th, A. S. Lown, Chairman.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. LOWN",
Chairman.

July 16th, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Monday, July 16th, 1906, at 10 a.m., for the purpose of allotting stock.

Members present: Dr. J. Ferguson, A. S. Lown and James Gallagher.

Moved by James Gallagher, seconded by Dr. Ferguson, that the following stock is hereby allotted to the following shareholders:—

Freeman, J. G.	Boxgrove	3	shares.	$300
Newman, R. A.	Detroit, Mich.	50	"	5,000
Freeman, Helen	Boxgrove	10	"	1,000
Thompson, Agnes	Terra Cotta	14	"	1,400
McMillan, Harriet L.	Westmount, Que.	5	"	500
Rae, James	Malcolm	10	"	1,000
Rae, Alexander	"	10	"	1,000
Rae, Betsy	"	10	"	1,000
Findlay, Robt.	"	3	"	300
McDonald, John	Markham	5	"	500

Carried, July 14th, 1906, A. S. Lown, Chairman.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",

Chairman.

July 23rd, 1906:—

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Monday, July 23rd, 1906, at 10 a.m.. for the purpose of allotting stock.

Members present: A. S. Lown, Dr. Ferguson and James Gallagher.

Moved by Dr. Ferguson, seconded by James Gallagher, That the following applications for stock in the Farmers Bank of Canada be, and are hereby, allotted:

Meyer, Pauline V.	Toronto	10	shares.	$1,000
Pfister, John	"	10	"	1,000
Sinclair, Grant W.	Zimmerman	10	"	1,000
Krupp, Samuel	Caro, Mich.	4	"	400
Shreve, Mary L.	"	2	"	200
McClure, Samuel	Glenwilliams	5	"	500
Cook, Thos.	Ballinafad	1	"	100
Tolton, James	Walkerton	5	"	500
Little, John D.	"	10	"	1,000
Robb, Elsie	St. George	5	"	500
Robb, Wm.	"	20	"	2,000
McKechnie, John	Ballinafad	1	"	100
Morrison, Alfred	Ashgrove	1	"	100
Morrison, Hugh	"	5	"	500
Near, Martin L.	Erin	10	"	1,000
Hanna, Wm.	"	2	"	200
Murray, George	St. Andrews	5	"	500
Thompson, Elizabeth S.	Ballinafad	15	"	1,500

Carried, July 23rd, 1906, A. S. Lown, Chairman.

Read and confirmed this 6th day of November, A.D. 1906.

"A. S. Lown",

Chairman.

July 31st, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Tuesday, July 31st, 1906, at 10 o'clock a.m., for the purpose of allotting stock.

Members present: A. S. Lown, Dr. Ferguson, Alex'r Fraser.

Moved by Dr. Ferguson, seconded by Alex. Fraser, That the following stock is hereby allotted to the following shareholders:—

Wait, Christina	St. George	10	shares.	$1,000
Sager, Sarah	"	10	"	1,000
Appleyard, Thomas	Georgetown	1	"	100
Appleyard, Albert	"	1	"	100
Curry, Eliza R.	Esquesing	1	"	100
Drnny, Jos. Henry	Ballinafad	5	"	500
Kennedy, Paul S.	Acton	2	"	200
Arkell, Peter	Teeswater	1	"	100
Wharton, Miss E.	"	3	"	300
Thomson, Malcolm	Walkerton	5	"	500
Allin, Jesse	Holbrook	5	"	500
Allin, Hiram	Ostrander	5	"	500
Allin, Nellie	"	5	"	500
Clement, Ethel P.	Burgessville	1	"	100
Topham, John	"	1	"	100
Corless, John George	"	1	"	100
Burgess, Charles E.	"	1	"	100
Burwell, Mrs. Matilda	London	6	"	600
Burwell, Edward	"	10	"	1,000
Baskett, Sarah	Ballymote	1	"	100

Carried, A. S. Lown, Chairman.

Read and confirmed at meeting held November 6th, 1906.

"A. S. LOWN",
Chairman.

August 13th, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Monday, August 13th, at 10 o'clock a.m., for the purpose of allotting stock.

Members present: A. S. Lown, Dr. Ferguson, Alex'r. Fraser.

Moved by Dr. Ferguson, seconded by Alex. Fraser, That the following stock is hereby allotted to the following shareholders:—

Green, A. E.	St. George	4	shares.	$400
Kennedy, T. W.	Acton West	1	"	100
Denny, Margaret	Ballinafad	5	"	500
Watson, John	Acton West	5	"	500
Lindsay, N. F.	"	5	"	500
Harris, Wm.	Milton	5	"	500
Ainslie, M. F.	Drumbo	2	"	200
Ainslie, Mary J.	"	2	"	200
Golding, Henry	Ingersoll	10	"	1,000
Kinney, Louis B.	Drumbo	4	"	400
Weir, Andrew	Masonville	2	"	200
Appleyard, Albert	Georgetown	5	"	500
Lindsay, Jessie E.	"	1	"	100
Gillson, Thos.	Masonville	5	"	500
Monkman, John A.	Toronto	6	"	600
Collins, Sophronia D.	St. George	1	"	100
Couslon, John	Hornby	1	"	100
Stafford, Wm.	Wallacetown	2	"	200
Bobier, Alfred F.	Port Talbot	2	"	200
Telford, John	Wallacetown	2	"	200
Barber, Jessie	Fingal	2	"	200
Turner, James	"	1	"	100
Fulton, Velma	"	1	"	100
Carbutt, Robert	Wallacetown	1	"	100

Page, Wm.	Fingal	1 shares	$ 100
Tubby, Everett H.	"	1 "	100
Edmonds, Geogre	"	1 "	100
Keohler, Edward	Tyrconnell	1 "	100
Crane, James W.	Wallacetown	1 "	100
Brush, H. D.	Fingal	1 "	100
Casey, Thos.	"	1 "	100
Cameron, John A.	Wallacetown	1 "	100
Stevenson, Wm. E.	Fingal	1 "	100
Docker, Anna F.	Wallacetown	3 "	300
Barnum, Wm. H.	Dutton	1 "	100
Bobier, James.	Wallacetown	1 "	100
Clay, Cleve B.	"	1 "	100
Watkins, James	Port Talbot	1 "	100
Fitch, Wm.	"	1 "	100
Burwell, Samuel L.	Fingal	2 "	200
Barnes, Martha	Ash	1 "	100
Husband, George E.	"	10 "	1,000
Horn, Thos.	"	1 "	100
Husband, Robt. W.	"	10 "	1,000
Whitham, S. F.	Brantford	20 "	2,000
Shaver, William J.	Toronto	20 "	2,000
Shaver, Arthur R.	"	10 "	1,000
Hoover, A. H.	"	50 "	5,000
Graham, Wm. A.	Wallacetown	1 "	100
Bovier, Richard	Port Talbot	1 "	100
Dromyole, Harry	Wallacetown	1 "	100

Carried, A. S. Lown, Chairman.
Read and confirmed at meeting held November 6th, 1906.

"A. S. Lown",
Chairman.

August 21st, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Tuesday, August 21st, 1906, at 11 o'clock a.m., for the purpose of allotting stock.

Members present: A. S. Lown, Dr. Ferguson, and Alex. Fraser.

Moved by Dr. Ferguson, seconded by Alex. Fraser, That the following stock be, and is hereby, allotted to the following shareholders:

Bobier, Joseph	Dutton	5 shares.	$500
Weeks, Henry	Palermo	10 "	1,000
Foster, Thomas	Brantford	3 "	300
Hazell, Horace	Hamilton	5 "	500
Irving, W. A.	Tansley	5 "	500
Townsend, Josiah	Terra Cotta	1 "	100
Nixon, John F.	Ashgrove	2 "	200
McKerlie, Marshall	Pt. Nelson	40 "	4,000
Hartmann, Chas. H.	Hamilton	2 "	200
Gow, Peter	Wallacetown	1 "	100
Bobier, David	Pt. Talbot	2 "	200
Garner, Thos.	Palermo	5 "	500
Burtch, David	"	4 "	400
Burtch, Mary J.	"	2 "	200
Dearling, John	"	1 "	100
Kirkpatrick, Wm.	Burgessville	1 "	100
Thompson, Annie S.	Ashgrove	2 "	200
Morrison, Loretta	"	2 "	200
McKee, George	Wallacetown	1 "	100
Blue, Dugald	"	1 "	100

Carried, August 21st, A. S. Lown, Chairman.
Read and confirmed at meeting held November 6th, 1906.

"A. S. Lown",
Chairman.

September 5th, 1906:

A Special Meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Wednesday, September 5th, 1906, at 2 o'clock p.m., for the purpose of allotting stock.

All members present.

Moved by J. Watson, seconded by Dr. Ferguson, That the Chairman is hereby authorized to give the necessary authority to W. R. Travers to insert the notice required by the Banking Act in such newspapers as are necessary calling a meeting of the subscribers of the Farmers Bank of Canada for the purpose of organization as soon as the Government deposit has been made and to do all other such acts as are necessary to call such meeting.—*Carried.*

Moved by Dr. Ferguson, seconded by A. Fraser, That the following stock is hereby allotted to the following shareholders:

	Bobier, Joseph	Dutton	5	shares.	$500
	Heeks, Henry	Palermo	10	"	1,000
	Foster, Thomas	Brantford	3	"	300
	Hazell, Horace	Hamilton	5	"	500
	Irving, W. A.	Tansley	5	"	500
	Townsend, Josiah	Terra Cotta	1	"	100
	Nixon, John F.	Ashgrove	2	"	200
This stock was	McKerlie, Marshall	Pt. Nelson	40	"	4,000
allotted on Aug.	Hartmann, Chas. H	Hamilton	2	"	200
21st, 1906, as	Cow, Peter	Wallacetown	1	"	100
well as on this	Bobier, David	Pt. Talbot	2	"	200
date	Garner, Thos	Palermo	5	"	500
	Burtch, David	"	4	"	400
	Burtch, Mary J.	"	2	"	200
	Dearling, John	"	1	"	100
	Kirkpatrick, Wm.	Burgessville	1	"	100
	Thompson, Annie S.	Ashgrove	2	"	200
	Morrison, Loretta	"	2	"	200
	McKee, Geo.	Wallacetown	1	"	100
	Blue, Dugald	"	1	"	100
	McGeachy, John A.	Iona	4	"	400
	Patterson, Lewis	Palermo	3	"	300
	Alexander, John	"	8	"	800
	Wood, Will S.	"	1	"	100
	Wilkinson, Geo. H.	"	1	"	100
Allotted on	Bennett, Wm. J.	Dundas	5	"	200
Sept. 5th.	McCallum, Dugald	Adrian	2	"	100
	Church, Ephraim	Iona	1	"	100
	Preston, Bert. C.	Armada	5	"	500
	Wettlaufer, John B. R.	Palermo	2	"	200
	Turner, Frank	Bracondale	10	"	1,000
	Bobier, Sarah J.	Port Talbot	1	"	100
	Edmunds, Geo. and Cora	Fingal	1	"	100
	Brush, Hershel D.	"	1	"	100

Carried, September 5th, 1906, A. S. Lown, Chairman.

Read and confirmed at meeting held November 6th, 1906.

"A. S. Lown",
Chairman.

September 24th, 1906:

The regular meeting of the Provisional Directors was held at their office, 118 King St. West, Toronto, Monday, September 24th, 1906.

Members present: A. S. Lown, Dr. Ferguson and James Gallagher.

Moved by James Gallagher, seconded by Dr. Ferguson, That the following stock is hereby allotted to the following shareholders:

McCallum, Dugald	Adrian, Mich	1	share.	$100
Taylor, Geo. E	Paris, Ont	5	"	500
Bobier, Harry	Pt. Talbot	1	"	100
McIntyre, Duncan	Fingal	1	"	100
Anderson, Martha	"	2	"	200
Bobier, A. F	Pt. Talbot	3	"	300
Edmonds, Geo. and Cora	Fingal	3	"	300
Casey, Thomas	"	1	"	100
McIntyre, Donald	Boxall	2	"	200
Mitchell, Thomas	Ash	1	"	100
Newman, Walter T	Vancouver, B.C	5	"	500
Burwell, Edward	London	90	"	9,000
McIntyre, Colin A	Fingal	2	"	200
Bobier, Sarah Jane	Pt. Talbot	1	"	100
Strong, George	Wallacetown	1	"	100
Bobier, Hattie	Pt. Talbot	5	"	500
Davison, Mathew	Flint, Mich	50	"	5,000
Smith, Flint P	"	50	"	5,000

Carried, A. S. Lown, Chairman.
Read and confirmed at a meeting held November 6th, 1906.

"A. S. LOWN",
Chairman.

October 8th, 1906:

The Special Meeting of the Provisional Directors was held at their offices, 118 King St. West, Toronto, October 8th, 1906.

Members present: Messrs. A. S. Lown, Dr. Ferguson, James Gallagher, J. Watson and Alex. Fraser.

Moved by Dr. Ferguson, seconded by James Gallagher, that the following stock has hereby been allotted to the following shareholders:

Cook, Edward	Leamington	3	shares.	$300
Cook, Richard	"	2	"	200
Walker, Peter M	Milton	1	"	100
Stewart, N	"	25	"	2,500
Murray, James	Mansewood	25	"	2,500
Hirst, Edward	Campbellville	10	"	1,000
Cunningham, Lizzie	Hornby	3	"	300
Coulson, Maggie	"	1	"	100
Elsley, Chas. A	Campbellville	5	"	500
Menzie, Robert L	Kelso	1	"	100
Menzie, Wm	"	1	"	100
Weir, Eliza A	"	5	"	500
Cairns, Samuel	Campbellville	2	"	200
Miller, John	Leamington	5	"	500
Sproul, Mrs. Wm	Acton	3	"	300
Hanley, John	Milton	1	"	100
Honeywill, Ernest	Ballinafad	25	"	2,500
McClure, Samuel	Glenwilliams	5	"	500
Sproul, William	Acton	3	"	300

Carried, A. S. Lown, Chairman.

Moved by James Gallagher, seconded by John Ferguson, That the Provisional Directors execute a power of Attorney to W. R. Travers for the purpose of endorsing all notes in their names as Provisional Directors, and of signing their

names to a note or notes for the purpose of raising funds to put up the Deposit with the Government, and we authorize the Secretary to hand over all notes to W. R. Travers for the said purpose.

Carried, A. S. Lown, Chairman.

Read and confirmed at meeting held November 6th, 1906.

"A. S. Lown",
Chairman.

October 26th, 1906:

A Special Meeting of the Provisional Directors was held at their offices, 118 King St. West, Toronto, October 26th, 1906.

Members present: Messrs. A. S. Lown, Alex. Fraser, James Gallagher and Dr. Ferguson.

Moved by James Gallagher, seconded by Mr. Ferguson, that the following list of shares be, and are hereby, allotted:—

Stair, Fred Waldo	Toronto	100	shares.	$10,000
Bastedo, Ida A.	Milton	5	"	500
Haist, Aaron Y.	Stratford	4	"	400
Ford, James	Omagh	2	"	200
Snelgrove, Emmett W.	Brighton	10	"	1,000
Symons, Wm. L.	Toronto	10	"	1,000
Patterson, Ernest	Palermo	1	"	100
Beaty, Ella M.	Milton	2	"	200
Bobier, Jos. or Jane	Dutton	5	"	500
Dewar, John	Fingal	1	"	100
McCurdy, Robert	Hornby	1	"	100
Brill, S. R.	Teeswater	2	"	200
Davidson, J. A.	Milton	1	"	100
Campbell, A.	Mountsberg	2	"	200
Beattie, M.	Campbellville	5	"	500
Lindsay, W. J.	Toronto	500	"	50,000

Carried, A. S. Lown, Chairman.

Read and confirmed at meeting held November 7th, 1906.

"A. S. Lown",
Chairman.

Toronto, October 30th, 1906.

A Meeting of the Provisional Directors of the Farmers Bank of Canada was held in the Provisional office of the Bank, Toronto, October 30th, 1906, at 2.30 p.m.

Present: A. S. Lown, Chairman; John Ferguson, James Gallagher, John Watson, Alexander Fraser.

The resignation of C. H. Smith as Secretary and Treasurer was handed in. Carried, October 20th, 1906, A. S. Lown.

Moved by John Ferguson, seconded by Jas. Gallagher, That the resignation of C. H. Smith be and is hereby accepted, and that W. R. Travers be and is hereby appointed Secretary-Treasurer of the Provisional Board of the Bank. Carried unanimously, October 30th, 1906, A. S. Lown, Chairman.

Moved by James Gallagher, seconded by John Ferguson, That the salary of C. H. Smith be paid up to date. Carried, October 30th, 1906, A. S. Lown, Chairman.

Moved by John Ferguson, seconded by Jas. Gallagher, That the previous resolution authorizing A. S. Lown, C. H. Smith and W. R. Travers to sign all checks and endorse all items on the Traders Bank of Canada, is hereby rescinded, and in substitution thereof that A. S. Lown, W. R. Travers, be and are hereby given full authority to sign checks in the name of The Farmers Bank of Canada and endorse all items intended for deposit in The Traders Bank of Canada. Carried, October 30th, A. S. Lown, Chairman.

Read and confirmed at meeting held November 6th, 1906.

"A. S. LOWN",
Chairman.

A special meeting of the Provisional Board of the Farmers Bank of Canada was held in their office, No. 118 King St. West, Toronto, Tuesday, November 6th, 1906, at 2 p.m.

Present: Dr. Ferguson, James Gallagher, Alexander Fraser, A. S. Lown and John Watson.

Moved by Alexander Fraser, seconded by Dr. Ferguson, that all the minutes between November 7th, 1905, and October 30th, 1906, be and are hereby confirmed. —*Carried unanimously.*

Moved by Dr. Ferguson, seconded by James Gallagher, that the accounts as shown in the books at the time of C. H. Smith's resignation as Secretary, be hereby accepted.—*Carried.*

Meeting adjourned.

EXHIBIT 10.

Copy of Minute book of directors of Farmers Bank.

MINUTES OF MEETING of the Subscribers to the Capital Stock of THE FARMERS BANK OF CANADA held pursuant to notice, at their offices, in the Stair Building, Adelaide and Bay Streets, Toronto, November 26th, 1906, at 10.00 a.m.

The following subscribers were present in person:—

Lown, A. S.	Toronto	Ont.	1	Shares
Richardson, Reverend George	"	"	1	"
Munro, Col. James	"	"	50	"
Devean, N. M.	"	"	200	"
Gilchrist, John	"	"	30	"
Luxton, A. G. H.	Milton,	"	10	"
Nelson, John H.	Kingsville,	"	20	"
Fox, Robert W.	Omagh,	"	15	"
Fitzgibbon, J. G.	Toronto,	"	1	"
Shaver, A. R.	"	"	10	"
Travers, W. R.	"	"	50	"
Sprowl, William	Acton,	"	3	"
McDonald, Alex	"	"	3	"
Lindsay, N. F.	"	"	5	"
Hunter, W. H.	Toronto,	"	1	"
Nesbitt, Dr. W. Beattie	"	"	100	"
Clements, Matthew	Milton,	"	5	"
Wilson, Mrs. M. E.	Weston,	"	5	"

Freeman, J. G.	Box Grove,	Ont.	3	shares
Freeman, Helen	"	"	10	"
Lindsay, W. J.	Toronto,	"	550	"
Symons, W. L.	"	"	10	"
Macorquodale, D. S.	"	"	1	"
" F. D.	"	"	1	"
Raydon, James A.	Camden East,	"	4	"
Ellis, George	Toronto,	"	5	"
Davis, C. G.	Burlington,	"	10	"
Hotson, Dr. Alex.	Parkhill,	"	15	"
McLennan, Col. R. R.	Cornwall,	"	50	"
Webb, Thomas	Brighton,	"	10	"
Hecks, Henry	Palermo,	"	10	"
Harris, Miss	Toronto,	"	2	"
Wood, W. R.	"	"	1	"
Macorquodale, B. D.	"	"	1	"
Smith, M. W.	Thornhill,	"	10	"
Sutherland, Dr. George	Embro,	"	10	"
Fuller, Eliab	Thornhill,	"	5	"
McCullough, R. C.	Georgetown,	"	5	"
Stair, F. W.	Toronto,	"	100	"
Scott, W. N.	Milton,	"	50	"
Bradley, A. B.	"	"	10	"
Irving, John	"	"	5	"
Darrah, Robert	"	"	10	"
Porter, Alexander	Omagh,	"	5	"
Sinclair, W. G.	Zimmerman,	"	100	"
Bastedo, Ida A.	Milton,	"	5	"
Scott, Mary Moore	"	"	30	"
Hollinrake, C. E.	"	"	5	"
Elliott, J. W.	"	"	5	"
Elliott, William	"	"	5	"
Cunningham, Mrs.	Hornby,	"	3	"
Moffat, James	Kelso,	"	10	"
Anderson, R. K.	Milton,	"	10	"
Lindsay, J. R.	Georgetown,	"	5	"
Husband, R. W.	Ash,	"	10	"
Bennett, D. H.	Zimmerman,	"	10	"
Morrison, Hugh	Ashgrove,	"	5	"
Bell, George A.	Lowville,	"	10	"
Leslie, R. F.	Georgetown,	"	10	"
Monkman, John	Toronto,	"	6	"
McColl, H. A.	Milton,	"	10	"
Bowman, William	Georgetown,	"	5	"
Hunter, F.	Norval,	"	10	"
Anderson, Dr.	Milton,	"	10	"
Hyatt, William	Norval,	"	10	"
Downs, William	Drumquin,	"	25	"
Ford, D. F.	Omagh,	"	25	"
Noble, Robert	Norval,	"	30	"
Ford, John F.	Omagh,	"	50	"

representing 1807 Shares of the Capital Stock, and the following subscribers were present by proxy:—

Travers, W. R.	Toronto,	Ont.	1333	Shares
Lindsay, W. J.	"	"	1899	"
Munro, Col. James	Munro,	"	75	"
Noble, Robert	Norval,	"	67	"
Lown, A. S.	Toronto,	"	7	"
Shaver, A. R.	"	"	20	"
			3401	

The General Manager called the Meeting to order and, upon the motion of A. S. Lown, seconded by Col. James Munro, Dr. W. Beattie Nesbitt was elected Chairman of the meeting.

The Chairman called upon the meeting to elect its Secretary, whereupon General Manager W. R. Travers was appointed Secretary of the meeting.

The Chairman stated that the purpose of the meeting was to organize the Farmers Bank of Canada, in accordance with the Bank Act, and called upon the Secretary to read the notice convening the Meeting. This Notice is as follows:—

THE FARMERS BANK OF CANADA.

To the subscribers of the capital stock of—

THE FARMERS BANK OF CANADA.

Public Notice is hereby given that a Meeting of the subscribers of the capital stock of The Farmers Bank of Canada will be held on Monday, the twenty-sixth day of November, 1906, at ten o'clock in the forenoon, at Room 103, Stair Building, corner Bay and Adelaide Streets, in the City of Toronto, in the Province of Ontario. The business of the Meeting will be:—

To determine the day on which the Annual General Meeting of the Bank is to be held.

To elect such member of Directors duly qualified under the Bank Act as the subscribers may think necessary, who shall hold office until the Annual General Meeting of the year next succeeding their election.

To fix the quorum for a meeting of the Directors, which shall be not less than three.

To fix the Directors' qualifications, subject to the provisions of the Bank Act.

To fix the method of filling vacancies in the Board of Directors whenever the same occur during each year.

To fix the time and proceedings for the election of Directors in case of the failure of any election on the day appointed for it.

To determine when to close the Stock Books for subscription of the Bank's stock by the public at par.

To prescribe the record to be kept of proxies and the time, not exceeding thirty days, within which proxies must be produced and recorded prior to any subsequent meeting in order to enable the holder to vote thereat.

And to regulate such other matters by by-laws as the Shareholders may regulate, pursuant to the terms of section 18 of the Bank Act.

By order of the Provisional Directors.

W. R. TRAVERS,
Provisional General Manager.

C. H. SMITH,
Provisional Secretary of Board of Directors.

THE FARMERS BANK OF CANADA,

Dated at Toronto, October 23rd, 1906.

The Secretary also read his declaration as to the giving of the notice in accordance with the Bank Act, which declaration is as follows:—

PROVINCE OF ONTARIO,
COUNTY OF YORK. } To Wit

In the matter of the Bank Act and of The Farmers Bank of Canada: I, William R. Travers, of the City of Toronto, in the County of York, Provisional General Manager of the Farmers Bank of Canada, do solemnly declare:

1. That the notice, copy of which is attached hereto, marked "Exhibit A" to this my declaration, appeared in the following issues of The Toronto Daily Globe, October 22, 23, 24, 25, 26, 27, 29, 30, 31, November 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 26.

2. That the said notice also appeared in The Canada Gazette of October 27, November 3, 10, 17, 24.

3. That the said notice also appeared in The Toronto Daily Mail and Empire on the same dates as those of The Toronto Daily Globe.

4. The copy of the said notice was sent by post letter pre-paid to each of the subscribers to the capital stock of the Bank at the address of said subscriber upon the books of the Bank by depositing same in the post office "Branch B", Toronto, on the 22nd day of October, 1906.

And I make this Declaration conscientiously believing the same to be true and Knowing it to be of the same force and effect as if made under oath and by virtue of the Canada Evidence Act, 1903.

Declared before me, in the City of Toronto, in the County of York, this 26th day of November, 1906.

Commissioner.

The Chairman read provision of Section 13 of the Bank Act and said the first business before the Meeting would be to determine the day upon which the Annual General Meeting of the Bank is to be held.

Upon motion of R. R. McLennan, Seconded by W. J. Lindsay, it was resolved that the Annual General Meeting of the Bank be held this day, the 26th of November, 1906, and annually thereafter on the 4th Monday in November in each year.

The Chairman stated that the next business before the meeting would be to determine the number of Directors of the Bank and upon motion of N. M. Devean, seconded by W. L. Symons, it was resolved that the number of Directors of the Bank be fixed at twelve until further order of the shareholders expressed at a General Meeting of the Bank.

The Chairman appointed the following to be scrutineers for the election of Directors of the Bank, namely: J. G. Fitzgibbon, A. R. Shaver and D. S. Macorquodale.

The Chairman then announced that he was open to receive nominations in writing for Directors of the Bank for the ensuing year, when the following nominations were handed in:—

Col. R. R. McLennan, Cornwall, Ont.
Col. James Munro, Embro, Ont.
Robert Noble, Esq., Norval, Ont.
Allan Eaton, Esq., Mount Nemo, Ont.
W. G. Sinclair, Zimmerman, Ont.
Dr. W. Beattie Nesbitt, Toronto, Ont.
N. M. Devean, Esq., Toronto, Ont.
John Gilchrist, Toronto, Ont.

The Chairman declared the nominations closed.

The Number of Directors nominated not exceeding the required number, the Chairman directed the scrutineers to cast ballot for the gentlemen so nominated, and the scrutineers having reported that the following have received all the votes cast, the Chairman declared them to be elected Directors of the Bank until the next Annual General Meeting of the Shareholders of the Bank.

The said Directors are as follows:—

Col. R. R. McLennan, Cornwall, Ont.
Col. James Munro, Embro, Ont.
Robert Noble, Esq., Norval, Ont.
Allan Eaton, Esq., Mount Nemo, Ont.
W. G. Sinclair, Esq., Zimmernah, Ont.
Dr. W. Beattie Nesbitt, Toronto, Ont.
N. M. Devean, Toronto, Ont.
John Gilchrist, Toronto, Ont.

The Chairman called upon the Secretary to read the report of the Provisional Directors of the Bank; which report is as follows:—

Toronto, November 20th, 1906.

The Provisional Board of the Farmers Bank of Canada desire to make the following report:—

1. This Bank was duly incorporated by Act of Parliament of The Dominion of Canada, duly assented to on the 18th day of July, 1904, was renewed for one year from that date, and was afterwards renewed for six months.

2. Owing to certain circumstances over which the Board had no control, arrangements which the Board had made from time to time to have the Stock of the Bank duly subscribed and the organization completed proved abortive: but on the 22nd day of March, 1906, the Board entered into an arrangement with Mr. W. R. Travers by which the sale of the stock and the organization of the Bank was practically placed in his hands, and the Board are now happy to report that they are in a position to comply with all the Government requirements, and to ask the Treasury Board for a license to do business on behalf of The Farmers Bank of Canada; and the Board desire earnestly to report that since the Organization of the Bank and the subscription of the stock was placed in Mr. Travers' hands, it has progressed in the most satisfactory way, and to express their sincere appreciation of the energy and ability with which he has conducted his duties.

3. Owing to the long time in which the organization of the Bank has been in progress, the labors of the Board and the expenses of the organization have been more difficult and higher than they would have been under ordinary circumstances.

4. The Board have no report in the first place, that they have the sum of $579,200 *bona fide* subscribed, and out of the subscriptions thereon, they have paid into the Treasury Department of The Dominion Government, the sum of $250,000 and that the expenses of the organization up to date as far as has been paid by the Board amounts to the sum of $41,291.

The said Board also desire to submit to the shareholders that as a result of their labors, they have secured for the subscribers of the Capital stock of the said Bank, a franchise extremely valuable in their opinion from the facts that in the future such franchises will be extremely difficult to obtain, and in the second place from the enormous increase which is equally sure to obtain from the increasing trade, wealth and prosperity of the Country and which must yield to said subscribers both good dividends and increase in the value of their stock provided they are only loyal to the institution.

All of which the Board desire to respectfully submit to this meeting.

After discussion, it was moved by A. S. Lown, seconded by John Gilchrist, that the said report be received and adopted and that all the acts of the Provisional Directors be hereby confirmed, ratified and approved.

The Chairman said the next order of business was to adopt the Shareholders' By-laws for the Bank, whereupon the following By-laws were adopted as the By-laws of The Farmers Bank of Canada.

1. The number of the Directors of the Bank shall be twelve, and three shall constitute a quorum.

No Director shall be entitled to continue in office unless he holds in his own name and right, and not as a Trustee, or in other representative capacity, at least $3,000 in the paid up Capital stock of the Bank.

In the event of a Director making a general assignment for the benefit of creditors, or if his estate is placed in bankruptcy or liquidation under the provisions of any statute relating to bankruptcy or insolvency, such Director shall forthwith cease to be a Director.

2. The Annual General Meeting of the Shareholders shall be held on the fourth Monday in November in each year, beginning with the year 1906.

3. If the day fixed for the Annual General Meeting, or for any special General Meeting of the Shareholders shall fall on a legal holiday, the Meeting shall be held on the first day thereafter which is not a legal holiday.

4. If in any year an election of Directors is not made on the day appointed by this By-law for that purpose by reason of no Meeting of Shareholders having been called for such day, or for any other reason, such election may take place on any day thereafter at a Special General Meeting of the Shareholders to be called for that purpose.

5. Vacancies in the office of Directors from any cause during the year of office, may be filled by the remaining Directors from among the qualified Shareholders of the Bank, at any Meeting of Directors; and Directors so appointed shall hold office until the next General Meeting of Shareholders.

6. All proxies of Shareholders intended to be available for voting at Meetings of the Shareholders shall be in such form as the Directors prescribe, and shall be deposited with the Head Office of the Bank and recorded ten days prior to the first Meeting of Shareholders at which it is intended to make use of some. Otherwise the constituent shall not be entitled to use the same at such Meeting.

7. The President, Vice-President and other Directors of the Bank shall receive such remuneration for their services as may be determined from time to time by the Board of Directors.

8. The amount of discounts or loans which may be made to Directors of the Bank either jointly or severally or to any firm in which any of the Directors is interested shall not exceed at any one time 5% of the said paid up capital of the Bank; and the amount of discounts or loans which may be made to any firm or person, or any shareholder or corporation, shall not exceed in the case of any such firm, person or corporation, the sum of $10,000 until otherwise ordered by the Board of Directors.

9. The Head Office of the Bank, as well as each Branch of the Bank shall be inspected at least once in each year by the Officer of the Bank appointed for such purpose, and it shall be the duty of the General Manager, after receiving each and every report of the said Inspector, to lay such report before the Directors at the first Meeting of the Board of Directors of the Bank that may take place thereafter, and the action of the Board of Directors upon such report shall be duly entered in the Minutes of the Board.

10. The Board of Directors may at any time establish in connection with the Bank and its officers and Servants and upon such terms and conditions as the said Board may see proper, a Guarantee Fund for the Bank, and a Pension Fund and an Insurance Fund in connection with the said Bank, and they may appropriate to such funds or any of them, such portion of the undivided profits of the Bank in any year, as the said Board may see proper.

11. The Stock Book for Subscription to the capital stock of the Bank at par shall be opened and kept open until the sum of $500,000 has been paid into the Capital of the Bank or until closed by order of the Board of Directors.

Upon motion of J. S. Ellis, seconded by A. S. Lown, the Meeting then adjourned.

"W. BEATTIE NESBITT", *President.*
"W. R. TRAVERS", *General Manager.*

SESSIONAL PAPER No. 153a

MINUTES OF THE FIRST MEETING of the Directors of THE FARMERS BANK OF CANADA, held following the General Meeting of the Shareholders, at the offices of the Bank, in the City of Toronto, November 26th, 1906.

The following Directors were present:—

Col. R. R. Mc Lennan, Cornwall, Ont.
Col. James Munro, Embro, Ont.
Robert Noble, Esq., Norval, Ont.
Allan Eaton, Esq., Mount Nemo, Ont.
W. G. Sinclair, Esq., Zimmerman, Ont.
Dr. W. Beattie Nesbitt, Toronto, Ont.
N. M. Devean, Esq., Toronto, Ont.
John Gilchrist, Esq., Toronto, Ont.

The Directors proceeded to ballot for President, and Vice-President, whereupon Dr. W. Beattie Nesbitt was elected President of The Farmers Bank of Canada, and Col. James Munro was elected Vice-President. On motion, Col. R. R. McLennan was unanimously elected Hon. President, and Dr. A. Groves, of Fergus, a Director.

The following By-Laws were adopted as the By-Laws of the Board of Directors:—

1. For the transaction of business, the Bank shall be opened and kept open daily from 10 a.m., to 3 p.m., except on Sundays and legal holidays; and except also on Saturdays or such other day in the week as may be found more convenient, when the hour of closing may be such hour not earlier than noon, as the General Manager may decide.

2. The Directors shall hold not less than one regular monthly meeting; on the third Wednesday in each month, at 2 p.m., and the President, or, in his absence, the Vice-President, may direct the General Manager to call an extra Meeting at any time when either of them is of the opinion that such a Meeting is necessary.

3. No Director shall be present at the Board at the discussion of any matter in which he or any partnership of which he may be a member, shall be pecuniarly interested, except at the request of the Board: nor shall his vote be taken thereon.

4. Every Director and every person in the service of or connected with the Bank shall consider himself bound to secrecy as to every thing that takes place at the Bank: and shall on no pretence whatever, unless authorized by the Board of Directors, give any information relative to any transaction, or account at, or in the books of the Bank.

5. The General Manager shall cause Minutes to be regularly kept of all the proceedings of the Board of Directors: and at each Meeting of the Board, the first order of business shall be the reading and confirmation or correction of the Minutes of the preceeding Meeting.

These shall then be signed by the President or Vice-President, or the Director who may be acting as Chairman for the time being, and countersigned by the General Manager.

6. The Common Seal shall remain in the Bank in the custody of the General Manager, who shall affix it to all documents requiring the Seal of the Corporation, and such documents shall then be signed by the President, or Vice-President and General Manager. And every document to which the Seal of the Bank shall be affixed shall be reported to the Board at its next following session.

7. In the absence of the President all the powers and duties appertaining to his office shall be exercised and performed by the Vice-President; and in the absence of both President and Vice-President, by a Director appointed by the Board for that purpose.

8. It shall be the duty of the General Manager to present to the Directors at every monthly Meeting, an exhibit of the state of the Bank.

9. The General Manager shall cause the several persons under him in the service of the Bank to attend to and execute their respective duties in conformity with such rules and regulations as the Directors or General Manager may from time to time prescribe. He shall report to the Board any delinquency or misconduct on the part of any officer of the Bank, pending action of the Board.

10. It shall be the duty of the General Manager to require from every officer or employee of the Bank a surety bond for due and faithful performance of his duties. The President shall retain in his custody the bonds given by the General Manager, and the General Manager's assistant.

11. It shall be a term of the employment of every person in the service of the Bank that before entitled to leave the same he shall give the Bank three months' notice in writing of such intention: and it shall be competent for the Directors to put an end to the engagement of any person in the service of the Bank, either by giving him three months' notice in writing to that effect, or by paying him a sum of money equal to three months' salary in lieu of such notice. And also that in case of neglect, breach of duty, or other misconduct, on the part of any person in the service of the Bank, the Directors may summarily dismiss him without any previous notice; and in such case the salary of the person dismissed shall be paid up to the time of his dismissal only, unless he be indebted to the Bank, in which case any balance due him for salary or otherwise shall be placed to the credit of his debt.

12. It shall be a further term of employment of any person in the service of the Bank that he shall neither directly nor indirectly take or receive any perquisite, reward, fee or emolument other than his salary and any such further remuneration as the Board of Directors may authorize. And also that he shall not enter into any trade, mercantile or other business agency or office whatsoever either in his own or another name; nor shall he become a party to any negotiable paper, or give or enter into any personal security whatever other than his security to the Bank, unless the recorded consent of the Board of Directors shall have been first obtained. But any officer may become an inspector or trustee of any estate in which the Bank may be interested.

13. These By-laws shall be audibly read by the General Manager to the Board of Directors at the first meeting held by them after the day on which they have been elected Directors, and the reading thereof shall be recorded in the Minutes of the proceedings of the day.

14. The powers and duties appertaining to the General Manager under these By-laws may be exercised and performed by the General Manager's assistant in his stead. In the absence of the General Manager and the General Manager's assistant, they shall be exercised and performed by the officer next in rank or by an officer temporarily appointed by the Board for that purpose.

15. Any acts done or sought to be done in respect to any share or shares in the Capital Stock of the Bank shall be subject to the provisions of the "Regulations respecting the stock of the Bank" adopted by the Board of Directors on the 26th November, 1906, and any amendments or additions thereto which may be made from time to time.

16. The Board of Directors may appoint an Executive Committee of the Board of not less than three Directeors which Executive Committee shall exercise all the powers of the Board of Directors in the interim of meetings of the Board.

Pursuant to By-law No. 16, the fololwing were selected as the Executive Committee, namely:—

Hon. President, R. R. McLennan; President, W. Beattie Nesbitt Vice-President, James Munro; N. M. Devean, John Gilchrist.

Three to be a Quorum.

On motion it was agreed that W. R. Travers should be allowed 10% of the stock subscriptions as per his contract with the Provisional Board, dated July 4th, 1906, and that he be engaged as General Manager at a salary of $6,000 per annum, and that an agreement giving effect to the same be entered into with him, to be executed by the President and one of the Directors of this Board. The following is a copy of the agreement:—

Memorandum of Agreement made in duplicate this first day of December, A.D. 1906.

Between:—

THE FARMERS BANK OF CANADA, hereinafter called "The Bank",

Of the First Part.

And:—

WILLIAM R. TRAVERS, of the City of Toronto, in the County of York, Manager, hereinafter called

The Party of the Second Part.

WHEREAS the Bank has agreed with the Party of the Second Part to appoint the Party of the Second Part its General Manager on the terms and conditions hereinafter set forth.

Now therefore this Agreement Witnesseth:—

1. The Bank hereby appoints the Party of the Second Part General Manager of the Bank to perform the duties and exercise the functions from time to time prescribed by the Bank Act, and by the By-laws of the Bank, and by the Board of Directors, or the Executive Committee of the Board of Directors of the Bank.

2. The Party of the Second Part hereby covenants and agrees with the Bank to devote his entire time and uninterrupted attention to the business of the Bank, and in all matters in connection with the business of the Bank to abide by, obey and conform to the provisions of the Bank Act, the By-laws of the Bank, and the directions from time to time given by the Board of Directors or by the Executive Committee of the Board of Directors of the said Bank.

3. The term for which the Party of the Second Part is hereby engaged as General Manager is five years to be computed from the first day of December, 1906 (A.D.)

4. The remuneration of the Party of the Second Part is at the rate of six thousand dollars ($6,000) per annum, payable monthly, not in advance, for each month of the said term of five years.

In Witness Whereof, the Corporate Seal of the said Bank has been hereunto affixed by the hands of its proper officers and the Party of the Second Part has hereunto set his hand and seal.

Signed, Sealed and Delivered, in the presence of

"W. Beattie Nesbitt".
"John Gilchrist".

"W. R. Travers".

W. H. Hunter.

The General Manager, with the consent of the Executive, was authorized to open such Branches as may be deemed advisable in the interests of the Bank.

The General Manager is authorized and instructed to employ such assistance at the Head Office of the Bank and elsewhere as appears to him to be necessary or

expedient, and to determine their remuneration, reporting to the Board of Directors from time to time the names of such officers and the remuneration agreed to be paid.

The Directors authorized the balance of the Stock up to $1,000,000 to be placed exclusively in the hands of Mr. W. J. Lindsay, for one year at a commission of $10.00 per share, payable on payment of the premium, said Stock to be sold at a premium of 25%.

The Board of Directors authorized the notes of the Bank for Circulation to be countersigned pro General Manager by the following officers:

J. G. Fitz-Gibbon, A. R. Shaver, and any officer authorized by the General Manager, and that the General Manager be authorized to sign cheques, etc., on the bank or banks where our account is kept.

The following regulations respecting the stock of the Bank were adopted by the Board of Directors:—

1. There shall be a register of the Shares of the Capital Stock of the Bank at its office in Toronto, in which any Shareholder may, on application, have his shares entered, subject to such regulations as may from time to time be made by the General Manager.

2. When any of the following acts are done, or sought to be of the Bank, in respect of any share or shares in the Capital Stock of the Bank, by a proxy or attorney, on behalf of his constituent, or constituents, viz:—

Voting at Meeting of Shareholders,

Transferring any share or shares,

Accepting any share or shares,

the proxy or Attorney shall first lodge with the Bank his original power or letter of Attorney, which shall be in one of the forms provided in the schedule hereto, or in a form equivalent thereto, the execution whereof shall be attested by at least one credible witness.

The Proxy for voting purposes must be lodged as required by the By-laws passed by the Shareholders at the meeting held on the twenty-sixth day of November, 1906.

If any Power of Attorney is executed without the Dominion of Canada, the execution shall be attested before a Commissioner authorized to take affidavits for use in Ontario, a Chief Magistrate, a British Consul or Vice-Consul, Judge of a Court of Record, or Notary Public, and the attestation duly authenticated by the official signature and seal of office of the said Chief Magistrate or other officer not being a Commissioner for taking affidavits for use in Ontario.

If, however, such Power of Attorney is executed at any branch or agency of the Bank, in the presence of and attested by an officer of the Bank at such branch or agency, any further authentication may be dispensed with by the General Manager.

An authentic copy of any Power of Attorney executed in notarial form in the Province of Quebec may be lodged with the Bank in lieu of the original thereof.

3. Any shareholder may authorize the payment to any agent or Attorney of any dividend or bonus accruing on any shares in the Capital Stock in the Bank by lodging with the Bank a letter in the form provided in the schedule hereto, or in a form to the like effect.

4. On the death of a shareholder, the Stock standing in his name may be dealt with by his executor or the administrator of his estate, provided that such executor or administrator shall first lodge with the Bank the Letters Probate, or letters of administration or a copy thereof, authenticated by the Seal of the Court out of which the same have issued.

If the circumstances require the lodgment of a declaration of transmission, Form "G" in the schedule hereto may be used.

5. If a female shareholder changes her name by marriage, her shares may be registered in her new name on lodgment with the Bank a declaration by herself and her husband, for which Form "F" in the Schedule hereto may be used. Such declaration shall, if required by the General Manager, be further authenticated by the lodgment with the Bank of a certified copy of the entry of the marriage in the proper Register.

"A". Power of Attorney to Accept Transfers.

Know all men by these presents that of is hereby constituted the Attorney of the undersigned, for, and in the name of the undersigned, to accept transfers of any shares in the Capital Stock of The Farmers Bank of Canada, and for that purpose to sign and seal such writings and do such acts as may be requisite.

In Witness Whereof, these presents have been executed under Seal by the undersigned at the day of one thousand nine hundred and .

The signature of , to me known to be the person herein described, was hereto affixed in my presence.

Signature (Seal)
Full name
Address
Occupation

Witness.....
Address.....
Occupation.....

Lodged and duly recorded at the Head Office of The Farmers Bank of Canada the day of 19 .

"B". Power of Attorney to Transfer Stock.

Know all men by these presents that of is hereby constituted the Attorney of the undersigned, for, and in the name of the undersigned to transfer shares in the Capital Stock of The Farmers Bank of Canada, and for that purpose to sign and seal such writings, and do such other acts as may be requisite.

In Witness Whereof these presents have been executed under seal by the undersigned at the day of one thousand nine hundred and .

The signature of , to me known to be the person herein described, was hereto affixed in my presence.

Signature (Seal)
Full name
Address
Occupation

Witness.....
Address.....
Occupation.....

1. If it is desired that the shares shall be transferred to a particular person, add the words "to A.B."

Lodged and duly recorded at the Head Office of The Farmers Bank of Canada the day of 19 .

"C". Shareholder's Proxy to Vote.

Know all men by these presents that of is hereby constituted and appointed the Attorney and Proxy of the undersigned, for, and in the name of the undersigned, to vote at all Annual General and all Special General Meetings of the Shareholders of The Farmers Bank of Canada in respect of any shares in the Capital Stock of the Bank now or hereafter standing in the name of the undersigned.

In Witness Whereof these presents have been executed under Seal by the undersigned at the day of one thousand nine hundred and

The signature of , to me known to be the person herein described, was hereto affixed in my presence.

Signature (Seal)
Full name
Address
Occupation

Witness.....

Address.....

Occupation.....

Lodged and duly recorded at the Head Office of The Farmers Bank of Canada the day of 19 .

"D". Shareholders' General Power of Attorney.

Know all men by these presents that of is hereby constituted the Attorney of the undersigned, for, and in the name of the undersigned, to accept transfers of any shares in the Capital Stock of The Farmers Bank of Canada: to receive and grant receipts for the dividends and Bonuses on any shares: to transfer any shares now or hereafter standing in the name of the undersigned in the books of the said Bank: and to vote in respect to such shares at all Annual General and Special General Meetings of the Shareholders of the Bank and for all or any of the purposes aforesaid a substitute or substitutes to appoint and the same again at pleasure to revoke; and to do all lawful acts requisite for effecting the premises.

In Witness Whereof these presents have been executed by the undersigned under Seal at the day of one thousand nine hundred and .

The signature of , to me known to be the person herein described, was hereto affixed in my presence.

Signature (Seal)
Full name
Address
Occupation

Witness.....

Address.....

Occupation.....

Lodged and duly recorded at the Head Office of The Farmers Bank of Canada the day of 19 .

SESSIONAL PAPER No. 153a

"E". Letters of Authority to Receive Dividends, Etc.

To the General Manager,
The Farmers Bank of Canada:—
You are hereby authorized to pay to of the of on my behalf any dividends or bonuses on any shares in the Capital Stock of the Bank that are now or may hereafter be standing in my name.

Signature
Dated at this day of A.D. 19 .

"F". Declaration as to Change of Name by Marriage of a Female Shareholder.

I, of do solemnly declare that:—

1. I am the person named as of entered on the Books of The Farmers Bank of Canada as the holder of shares in the Capital Stock of the Bank.

2. On the day of I was married to of at by .

3. I am entitled to hold the said shares and I desire that the same be transferred to my present name in the books of the Bank.

4. And I of the of husband of the above-named declarant, do declare that the facts set out above are true, and that the said is entitled to hold the said shares as her separate property, to receive the profits and dividends therefrom and to sell and dispose of the same and receive the proceeds, the whole free from any control on my part and without requiring my authority or consent.

And we make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act, 1893.

Severally declared before me by
and at the
of in the County of
this day of
19 .

"G". Declaration of Transmission of Stock.

We executors of the Will (or Administrators of the estate) of the late in lifetime of (or as the case may be) do solemnly declare:—

1. That the said departed this life in or about the day of after having made and published Last Will and Testament, probate of which was duly granted to us (or intestate and Letters of Administration of estate were duly granted to us) in (name of Court, or as the case may be).

2. That there are now standing in the books of The Farmers Bank of Canada shares in the Capital Stock of the said Bank in the name of the said late which by virtue of the premises and by-law have been transmitted to the declarants as executors of the Last Will (or administrators of the estate) of the said deceased (or as the case may be).

3. Wherefore we, the above declarants, do hereby require that the said shares in the Capital Stock of The Farmers Bank of Canada, now standing in the name of the said late be entered and registered in the books of the said Bank in our names as Executors of the Last Will (or Administrators of the estate) of the said deceased (or as the case may be).

And we make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if under oath and by virtue of The Canada Evidence Act, 1893.

On this day of 19 , personally appeared before me to me known to be the above declarants, who acknowledged that they had signed this declaration and declared that the statements set out herein are true.

(Signature of Declarants)

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the Meeting of Directors of The Farmers Bank of Canada, held in the Board Room of their premises, Wednesday, January 23rd, 1907, at two p.m., the President in the Chair.

The following Directors being present:

Dr. W. Beattie Nesbitt,
Col. James Munro,
Allan Eaton,
N. M. Devean,
John Gilchrist,
Robert Noble,
Dr. A. Groves,
W. G. Sinclair.

The President called upon the General Manager to read the Minutes of the last Meeting, including the Directors' By-laws, which was done and approved.

The Directors visited the Toronto Branch, and examined the safe and cash, all of which was approved of.

The General Manager presented the Financial Statement.

The General Manager reported the opening of the following Branches:—

Milton—G. Vankoughnet, Manager.
Norval—J. B. McBride, Manager.
Burgessville—Scott Merrill, Manager.
Camden East—James A. Hayden, Manager.
Kerrwood—P. R. B. Fosbrooke, Manager.
Weston—W. D. Paxton, Manager.
Williamstown—S. R. Smart, Manager.

The General Manager laid on the table the daily Financial Statement of these various offices, showing the progress they were making from day to day, and also a statement showing the probable cost of establishing the same.

The General Manager laid on the table a list of the Staff, and the Surety Bonds of the various officers. A Statement showing the circulation to date was also presented. The General Manager reported that satisfactory arrangements had been made with The Union Bank of Canada and their Branches for redemption of our notes and transaction of business for us; also with The Merchants National Bank, New York, and The London and Westminster Bank, Ltd., London, England.

The Ontario Government, having asked for a Prospectus of this Bank to be filed with them, it was consented to and the Directors therewith signed the Prospectus and instructed the General Manager to forward it to the Provincial Secretary.

The following stock was allotted, as per list, see folio 405.

The applications of several subscribers for cancellation and reductions in the numbers of shares subscribed, were presented; and the matter was left in the hands of the General Manager to use his own discretion.

The General Manager laid on the table a Statement showing the cost of premises, stationery, safe, and other things in connection with the various Branches, which have been opened and the population of the various places, and the number of subscribers thereabout, and after discussion, the same was approved of.

A list of Credits authorized by the General Manager at the various Branches, together with the amounts availed of thereunder was presented, and after consideration was approved of.

A list of probable places for opening new Branches was submitted, and after consideration it was decided to leave the matter in the General Manager's hands to open in such places as he deemed in the interest of the Bank.

The question of Directors' fees and travelling expenses was fully discussed, and it was unanimously resolved that the following should be paid, viz.:—Five Dollars per Meeting, and travelling expenses.

The Meeting then adjourned.

"JAMES MUNRO",
Vice-President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, Toronto, Wednesday, February 20th, 1907, at two p.m., the Vice-president in the Chair.

The following Directors being present:—

COL. JAMES MUNRO, Vice-president;
W. G. SINCLAIR,
ALLAN EATON,
ROBERT NOBLE,
N. M. DEVEAN,
DR. A. GROVES,
JOHN GILCHRIST.

The Vice-president called upon the General Manager to read the minutes of the last Meeting, which was done, and they were duly approved of.

The General Manager presented the Financial Statement of the Bank, also laid on the table the statements from the various Branches showing the exact condition of affairs of each Branch, also the H.O. Daily Statement Book, in which was compiled from the Daily Financial Statements the total condition of the Bank shewing loans, circulation, deposits, etc., on the date of the 19th inst., also the Discount Books of the Toronto Branch, with a detailed statement of the loans and discounts made in that office.

The General Manager reported the opening of three Branches since the last Meeting, viz.:—

Cheltenham, Southampton, Zephyr.

Making in all eleven Branches now open, and doing a fair business with good prospects, and arrangements are nearly completed for Branches in Trenton and Belleville.

The General Manager reported that premises had been taken at the following places at the following rents:—

Toronto	$3,420
Milton	300
Norval	60
Camden East	300
Kerwood	30
Weston	30
Williamstown	102
Southampton	150
Cheltenham	60
Burgesville	150
Zephyr	150

Of these leases have been executed on the behalf of the Bank by the President and General Manager, viz.:—

Toronto	10 years	with an option of ten more
Milton	5 "	" " five "
Zephyr	1 "	" " three or five more
Camden East	3 "	" " five more

All of which was approved and considered that the bargains were good.

A plan for a proposed building for our Branch at Norval was presented to the Board, estimate cost of which would be $3,200.00, and after discussion it was decided to build, and the General Manager was instructed to carry out the arrangements for the same.

The General Manager reported the addition of eleven clerks to the staff, making in all forty, with joint salaries of $28,375.00, and that all the staff were properly and sufficiently bonded in the United States Fidelity and Guaranty Company, including the four young lady employees, and also the resignation of J. B. McBride, Manager at Southampton, who was getting $900 per year. No reason given for his retirement.

The General Manager submitted to the Board, the proposition of buying the building in which the Belleville Branch will occupy space for its Banking room. It is situated on the market square, corner of Front and McAnnany Streets, about 24′ x60′, three stories high. The Bank would have to expend about $1,000 on the building: fitting up the office and repairs. The rest of the building is pretty well rented now, and the rents would amount to enough to practically give the Bank's own office free. After discussion, it was decided to rent, with the option of buying within a reasonable time, at a price not to exceed $5,500.

The General Manager reported that it was impossible to get suitable premises at Kerwood, Williamstown and Weston without putting up buildings of our own, and after discussion the Board authorized the Executive Committee to proceed to put up premises in each of these places, not to exceed in cost in any one place, say, $3,200, as soon as the General Manager was of the opinion that a permanent and profitable business was assured in each place.

The General Manager submitted a list of places recommended for the establishing of Branches, and after some general remarks on the part of the Directors, it was decided to branch out in as many places as we were reasonably assured of good business, and finances of the Bank would permit.

The General Manager reported the following additions to the Staff since January 23rd, 1907:—

Miss Bessie L. Baxter	Clerk and Steno	$550
Miss T. Weir	"	600
F. M. Whittimore	Junior	200
J. B. Connell	Manager	900
C. A. Lynch	Clerk	500
A. M. Denyes	Clerk	500
A. M. McBain	Junior	150
John F. Hunter	"	150
W. C. Webster	Acting Manager	800
H. L. Pratt	Accountant	600
Carl E. Jaques	Junior	150
Total number on staff	40	
Total salaries	$28,375.00	

Resignations.

J. B. McBride	Manager	Southampton

The General Manager reported that satisfactory arrangement had been made with the Union Bank of Halifax for the redemption of our notes at St. John, Halifax, and Charlottetown, as required by the Bank Act, but had been unable as yet to complete arrangements for Victoria, which when done, this Bank will have provided for the redemption of its circulation in all the Provinces of the Dominion; satisfactory arrangements have also been entered into with the following:—

The Third National Bank of Buffalo;
The Old Detroit National Bank, Detroit;
The Corn Exchange National Bank, Chicago,

for the transaction of business at these different points.

The following Stock was duly allotted, as per list, see folio 405.

The General Manager reported that credits had been authorized to the following persons at the various Branches for the following amounts; and after being fully considered was duly approved.

Toronto.

Mashinter & Co	Accommodation	$6,250
"	Line on Trade Paper	5,000
W. H. Stacey	Accommodation	3,000

Kerwood.

Township of Metcalfe	$4,000 to $6,000

Williamstown

Township of Charlottenburg	$10,000

The following list of overdrawn accounts was also submitted:—

W. R. Travers	$ 680
The Standard Tailoring Co	325
Geo. Richardson	235
Geo. Parker & Son	690
Beattie Nesbitt	1,640
P. Jamieson	30
The Federal Electric Con. Co	2,250
The Clark Manufacturing Co	600
Lud. K. Cameron	30
S. E. Burwell	500

Moved by Mr. Sinclair, and seconded by Mr. Gilchrist, that upon Mr. Burdge Gunby, of Kilbride, qualifying, he be added to the Directorate.—*Carried.*

The Meeting then adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the Directors' Meeting, held in the Board Room, on Wednesday at 2 p.m., March 20th, 1907. The President in the Chair.

The following Directors being present:—

DR. BEATTIE NESBITT, *President.*
COL. JAMES MUNRO, *Vice-President.*
W. G. SINCLAIR.
ROBERT NOBLE.
JOHN GILCHRIST.
ALLAN EATON.
BURDGE GUNBY.
DR. A. GROVES.

The President called upon the General Manager to read the Minutes of the last Meeting, which was done and approved.

The General Manager presented the Financial Statement showing the conditions of the Bank at the evening of the 15th inst.

The General Manager reported that the following credits had been authorized since the last meeting:—

Mr. Bastedo	Milton		1,500
McDuff Bros.	"		2,000
The American Hay Co.	Trenton		5,000
Jesse Cook	Zephyr	T. B.	6,500
		L.	3,500
William O. Law	"		1,000
J. L. Richardson	Toronto		1,500
Clark Manufacturing Co.	"		20,000

The General Manager laid on the table the most recent statements of the various Branches, showing the deposits, loans, etc.; and reported that the Branches for this time of year were doing as well as could be expected, with one exception, which is Weston.

The General Manager reported that the following Branches had been opened since the last Meeting:—

Belleville,
Trenton,

and that arrangements were now being completed for opening in,

Hawkstone,
Hillsdale.

The General Manager reported the following additions to the staff since the last Meeting:—

R. B. Langdon	$ 400
F. R. Laing	900
George M. Laing	550
George Thompson	600
J. F. Waterbury	600
W. R. Dobson	150

and stated that, with exceptions, we had a fair class of officers who were all working well and faithfully in the interest of the Bank.

The General Manager also reported the dismissal of W. C. Webster, and C. A. Lynch, explaining to the Board the reasons why, etc.

The following Stock was duly allotted, as per list. See folio 405.

The General Manager reported, under Section 23 of the Bank Act, we were permitted to appoint as many local Directors as we see fit at the Branches; and recommended that Mr. James S. Haydon, of Camden East, be appointed a local Director, for the interest that he shows in the welfare of the Camden East Branch

and services rendered gratuitously, and it was unanimously resolved that he be hereby appointed a local Director.

The General Manager reported that he had complied with all the requirements of the Toronto Clearing House, and that this Bank was now a member.

The President stated that it was his sad duty to report the death of Col. R. R. McLennan, our Honorary President, and after various kindly expressions, by members of the Board, it was unanimously resolved to send the following resolution of condolence to his family:—

Moved by Col. Munro and seconded by Mr. Burdge Gunby

"That this Board of Directors of The Farmers Bank of Canada deeply deplore the loss of one of its most valued Directors in the person of Col. R. R. McLennan, the Honorary President. He took a deep interest in the affairs of this Bank from its start, and gave us the benefit of his influence and wise judgment, and we shall miss him very much from our Board Meetings. Our deepest sympathy is extended to his sister, and all other relatives."

And the General Manager was instructed to forward copy of same.

The General Manager reported that he had been approached by Mr. Robert W. Menzie, of the Menzie Wall Paper Company, to take $40,000 of our stock and be elected to this Board; the conditions being that we make a loan to him of $70,000, for which he would give us ample security, agreeing within a year to wipe the whole thing out: $30,000 of the loan to be paid in three monthly installments of $10,000 each to the Bank of Nova Scotia. Mr. Menzie promising to bring us deposits sufficient to meet these obligations without embarrassment to the Bank; and, after full discussion, it was resolved to accept the proposition of Mr. Menzie, and he was elected a Director subject to qualification.

The General Manager reported that he had personally visited the Branches at

Camden East	Cheltenham
Kerwood	Southampton
Belleville	Trenton

and found everything in as satisfactory a state as could be expected under the circumstances.

The Meeting then adjourned.

"W. Beattie Nesbitt",
President.
"W. R. Travers",
General Manager.

Minutes of the Meeting of the Directors of the Farmers Bank of Canada, held in the Board Room, on Wednesday, April 17th, 1907, at 2 p.m., Dr. Beattie Nesbitt in the Chair.

The following Directors being present:—

Dr. Beattie Nesbitt, *President.*
Col. James Munro, *Vice-President.*
W. G. Sinclair.
Allan Eaton.
Burdge Gunby.
Dr. A. Groves.
Robert Noble.
John Gilchrist.
Robert Menzie.

The President called upon the General Manager to read the Minutes of the last Meeting, which was done, and they were approved.

The General Manager submitted the Financial Statement, showing the condition of the Bank to date, which was considered satisfactory. Deposits showing

an increase of $69,509.00. Circulation, increase of $24,095.00. Discount showed increase of $211,730.00.

The General Manager reported the following changes in the staff:—

Additions.

J. H. Spink	Acting Inspector	$1,200
L. Armstrong	Clerk	150
S. C. Cook	"	100
L. S. Farr	"	250
George Hennessey	"	150
M. G. Rhynas	"	350

Resigned.

A. W. Howarth	Clerk	$500
F. W. Whitemore	"	200

The General Manager reported that new Branches had been opened at Hillsdale and Hawkstone, prospects for business in each place being highly satisfactory.

The following stock was duly allotted, as per list, see folio 405.

The following stock was duly cancelled, upon recommendation of the General Manager:—

A. J. Witham	St. Catharines	$ 2,500
Robert Bell	Zimmerman	1,000
Miss J. B. Gier	Milton	5,000
George Daniels	"	500
Arthur Bradley	Georgetown	1,000
J. E. Bate	Scotch Block	3,000
Thos. Aiken	Milton	1,500
Est. Wm. T. Beaty	Omagh	3,000
Neil Stewart	Milton	2,500
		$ 20,000

The General Manager reported that this Bank, having been admitted a member of the Clearing House, commenced clearing through there on the 27th March, and that our total clearings to date amount to $158,696.92.

The General Manager reported that suits had been entered against the Bank by W. C. Webster for a wrongful dismissal, claiming $200, and Pauline V. Meyer and John Pfister, $1,000, asking for cancellation of their stock on the ground of misrepresentation.

The General Manager reported the following loans:

Robert Menzie ..... The Menzie Wall Paper Co $40,000

Secured by $40,000 Stock.

T. H. Hamilton % of the Rabbit Mountain Mining Co $15,000

Secured by William Snyder, Waterloo, and W. P. Bull, they having been approved of by the Executive Committee.

The President presented the resignation of Mr. N. M. Devean, which was accepted, he having transferred his stock to Mr. Robert Menzie. On resolution, Mr. Robert Menzie was added to the Executive Committee.

There being no further business, the Board adjourned.

"W. BEATTIE NESBITT",
President.

"W. R. TRAVERS",
General Manager.

SESSIONAL PAPER No. 153a

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, May 15th, 1907, at 2 p.m., Dr. Beattie Nesbitt in the Chair.

The following Directors were present:—

DR. BEATTIE NESBITT, *President.*
COL. JAMES MUNRO, *Vice-President.*
W. G. SINCLAIR.
BURDGE GUNBY.
DR. A. GROVES.
ALLAN EATON.
ROBERT NOBLE.
JOHN GILCHRIST.
ROBERT E. MENZIE.

The President called upon the General Manager to read the Minutes of the last Meeting, which was done, and they were approved.

The General Manager submitted the Financial Statement, showing the condition of the Bank to date, which was considered satisfactory.

Deposits showing increase of		$ 50,000
Discounts	" " "	19,000
Circulation	" decrease "	10,000

also Statement showing the changes since last Board Meeting; also detailed statement showing the progress of the various Branches, so far as deposits are concerned; also statement showing a Profit and Loss of Toronto, Burgessville, Camden East, Milton, Norval; for the four months ending the 30th April, which were the only offices that we could make a fair estimate of up to that date.

The General Manager reported the following changes in the Staff:—

Additions.

C. B. Green	Junior	$ 150
Wilbert M. Hough	–	150
H. J. G. Macoun	Clerk	800
J. C. Thompson	Junior	250
John R. Baird	Accountant	700
G. K. Macbeth	Manager	700
G. H. Martin	Clerk	500

Deductions.

M. G. Rhynas, John J. Burke, A. H. Uens.

The General Manager read the report of the Acting Inspector on the offices of Zephyr, Belleville, Trenton, Weston, Norval, Milton, Burgessville, Kerwood, Cheltenham, Hawkestone and Hillsdale.

The General Manager reported that a new Branch had been opened at Bethany, with Sub-Branches at Janetville, Pontypool, Dunsford and Nestleton.

The following stock was duly allotted as per list, see folio 405.

The following stock was duly cancelled:—

D. S. Marcorquodale	Toronto	1 share
B. D. Marcorquodale	"	1 "
F. D. Marcorquodale	"	1 "

The General Manager reported that Mr. W. L. Symons, Architect of the Bank, had visited Belleville and examined the premises and the building on which we have an option to buy at $5,500, and read his report thereon. After discussion, upon motion it was resolved, that the General Manager be authorized to buy the same on the best terms possible.

The General Manager reported that the suit which Webster brought against the Bank was settled by the Bank paying two months' salary, which is the usual case in such matters.

The General Manager reported that no new Loans of any consequence, or any lines of Discount had been granted since the last Board Meeting, it being difficult to keep our regular customers supplied with funds; which, in order to do, it was necessary to call in $15,000 of the Call Loans.

The President read a letter he received from the Hon. Mr. Matheson, Provincial Treasurer, stating that the Government would open an account with us of $10,000.

There being no further business the Board adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, Wednesday, 19th day of June, 1907, at 2 p.m. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert Noble.
Robert E. Menzie.
W. G. Sinclair.
John Gilchrist.
Allan Eaton.
Burdge Gunby.
Dr. A. Groves.

The President called upon the General Manager to read the Minutes of the last Meeting, which having been done, they were duly approved.

The General Manager submitted the Financial Statement showing the condition of the Bank at the end of the 31st ulto, and the changes to date.

Capital paid up increase	$ 5,862.00
Deposits showing increase of	60,770.00
Discounts " "	5,605.00
Circulation " "	14,620.00
Assets " "	82,760.00

and a statement showing the changes between last Board Meeting, and this; also a detailed statement showing the progress of the following Branches.

Zephyr
Kerwood
Cheltenham

also a tabulated statement of the deposits in each Branch showing the increases and decreases between the 15th of May and the 15th of June, in addition to these reported upon last month, which were the only ones for which a reasonable estimate could be made.

The General Manager reported the following additions and deductions of the staff:—

Additions.

M. G. Davey	Accountant	Trenton	$400
L. R. Davidson	Junior	Kerwood	250
Melvyn Forrest	"	Zephyr	200
A. W. Howarth	Accountant	Wallacetown	500
H. C. Hunter	Junior	"	200
E. F. James	"	Camben East	200
B. B. Ostrom	"	Belleville	150
E. C. Sparrow	"	Hillsdale	150

Deductions.

G. H. Martin	Clerk	Toronto	Dismissed
R. B. Langdon	Teller	Trenton	Resigned
P. W. Grandjean	Junior	Burgesville	"
G. Van Koughnet	Manager	Weston	Dismissed
F. R. Laing	"	Trenton	"

The report of the Acting Inspector was read to the Board with respect to the following offices:

Bethany and Sub-Branches, Janetville, Dunsford, Nestleton, Pontypool, Trenton, Milton, Weston.

The General Manager reported that new Branches had been opened at the following places:

Wallacetown
Fingal

and stated that the Bank had numerous shareholders round these two places, and the prospects for business were good; also that Sub-Branches had been opened at the following places:

Shannonville	Sub-Branch of	Belleville
Craighurst	"	Hillsdale
Allenford	"	Southampton
St. Raphael West	"	Williamstown
Udora, Brown Hill	"	Zephyr

with favorable outlook.

The following stock was duly allotted, as per list, see page 405.

The following stock was duly cancelled:—

Catharine and Elizabeth Frawley	Hillsdale	1 share
Mrs. Loletia Gallagher	Toronto	1 share

The General Manager reported having granted the following credits since the last Board Meeting.

Winn & Co.	Milton	$12,000	
		$4,000	on individual names
		8,000	" Good customers' paper,

and also that the loan to Mr. R. E. Menzie of $30,000 on the Toronto Brass Rolling Mills Company had been completed, and that $15,000 had been loaned on call to brokers with the usual margin with stock collateral.

The General Manager reported that the Ontario Government had opened an account and now had to their credit $12,019.56.

The General Manager reported that he had completed the purchase of the Belleville property at $5,200, which was $300 less than was asked for it; and that he had instructed the Bank's architect to make the necessary repairs to the building, making an up-to-date office for the Bank on the corner, and putting the rest

of the building in a tenantable state, from which a revenue will be derived, practically costing the Bank nothing for the rent of its own office; also that the Oddfellows' building in Kerwood had been leased for ten years at $100 a year; and that the Bank was spending about $800 to $1,000 in repairs and fixtures which will give a first-class office and do away with the necessity of building there as was expected would have to be done.

The following leases were executed by the Bank since the last Board Meeting.

Fingal	one	year	at	$ 60.00	from June 1st,	1907
Pontypool	"	"		60.00	" "	"
Bethany	"	"		100.00		
Dunsford	"	"		48.00	from June 1st,	1907
Shannonville	"	"		90.00	" "	"
Wallacetown	"	"		60 00		
Craighurst	"	"		60.00	from May 1st,	1907

The General Manager reported that the information received from Mr. Lindsay would indicate that he was in negotiations likely to prove successful in placing a large amount of the stock of the Bank at a premium of 25%. He is on his way home now and nothing definite can be reported until next Board Meeting.

The General Manager handed each member of the Board a copy of the Weekly Report on business of June 17th received from the Managers of all the Branches.

The General Manager reported the failure of W. H. Stacey one of the customers of the Toronto Branch, to whom was advanced $2,000, endorsed by his mother, Mrs. Ella Stacey who owned a farm near Trenton said to be worth $10,000 mortgage for $6,000. Judgment has been obtained against her and the Bank may in due course protect itself in the loss.

There being no further business the Meeting adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of a Special Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, Wednesday the 3rd day of July, 1907, at 2 p.m. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors being present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert Noble.
Robert E. Menzie.
W. G. Sinclair.
John Gilchrist.
Allan Eaton.
Burdge Gunby.

The President then explained the object for which the Meeting had been called.

The General Manager reported to the Board the negotiations between Mr. Lindsay and The General Development Corporation of Canada, Limited, looking towards the placing through the said Corporation of the unissued Capital of the Bank in Great Britain. And after consideration, the said negotiations were approved in principle, and the General Manager was authorized to approve of the same on behalf of the Board of Directors, after personally satisfying himself in

London, England, that the arrangements proposed by the said Corporation are in the best interests of the Bank.

It was further resolved that at the request of the said Lindsay, the Bank undertake to pay for the said Lindsay to the said Corporation a commission of $5.00 per share for each share subscribed by the said Corporation at $125.00 upon which at least the premium is paid in cash to the Bank. The said sum of $5.00 per share to be charged to and deducted from the commissions otherwise payable by the Bank to the said Lindsay.

Subject to possessing the necessary qualifications under the Bank Act, the following were elected to fill vacancies in the Board of Directors, viz:—

Rt. Hon. Viscount Templeton,
Sir Charles B. Euan-Smith, K.C.B., C.S.I.,
Henry Higgins, Esq.,

to hold office until the next annual General Meeting of the Shareholders of the Bank.

The said newly elected Directors were appointed a resident Committee of the Board in London, England, to have such powers, and perform such duties, and receive such remuneration as the Board shall hereafter determine upon the report of the General Manager after his conference with the London Committee. Each of the members of the said Committee shall hold office during the pleasure of the Board and not otherwise; and the Board may at any time discontinue the said London Committee if in the opinion of the Board such action is in the best interest of the Bank.

The Directors proceeded to elect by ballot one of their members to be Honorary President, whereupon subject to his possessing the qualifications required by the Bank Act, the Honorable Viscount Templeton was elected to be Honorary President, to hold office until the next annual general meeting of the shareholders of the Bank.

The General Manager was authorized to arrange with the London and Westminster Bank, or other Banking Corporation in London, England, to receive subscriptions to the Capital Stock of the Bank, and to deliver the receipts for the instalments paid in thereon, and to deliver certificates of the shares of the Capital Stock so subscribed for, when all the instalments are paid.

It being expedient to have a transfer office in London, England, where the shares of the Capital Stock of the Bank held in Great Britain might be transferred, The General Development Corporation of Canada, Limited, was until further order of the Board appointed Transfer Agent; to act with such powers and under such regulations as may be laid down by the General Manager after consultation with the said Corporation, and subject to the approval of the Board of Directors.

The General Manager was authorized on behalf of the Board to approve the draft Prospectus relating to the Shares of the unissued Capital of the Bank to be published by the said Corporation and the forms of subscription and transfer, and to do all other acts and things which may be necessary or useful to facilitate the placing of the said Capital, reporting what he shall do in the premises from time to time to the Board of Directors.

The following stock was duly allotted;

John H. Devitt	Blackstock	1 share
Viscount Templeton	London, Eng	100 "

There being no further business the Meeting adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers' Bank of Canada, held in the Board Room on Wednesday 17th of July, 1907, at 2 P.M. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert Noble.
Allan Eaton.
Burdge Gunby.
John Gilchrist.
W. G. Sinclair.
Dr. A. Groyes.

The President called on the General Manager to read the minutes of the last Meeting which having been done were duly approved.

The General Manager submitted the following statements:—

Financial Statement

showing condition of the Bank at the end of the 30th ulto. and the changes between May and June as follows:—

Capital paid up, increase		$ 11,886
Deposits	"	63,176
Circulation	"	18,750
Loans and Discounts	"	55,209
Assets	"	105,583

and changes between last Board Meeting and this.

Deposits

Tabulated Statement showing deposits at the Branches with the changes between last Board Meeting and this.

Profit and Loss.

Tabulated Statement of the Branches showing net result of each Branch, and the total for the whole Bank to the end of June, 1907.

Liability Returns.

Full Liability Returns from all the Branches showing detailed borrowings and security of all our customers throughout the Bank.

The following changes in the Staff were reported to the Board and duly approved of:—

Additions.

R. D. Freeman	Junior	Toronto	$200
H. L. Lancaster	"	Bethano	250
H. A. C. Renshaw	Clerk	Toronto	500
Arthur Winn	Junior	Milton	150

The report of the Acting Inspector was read respecting his visit to Wallacetown and Fingal Branches.

The General Manager reported that he had made arrangements for opening a Branch at Stouffville; and that the following places were recommended as good points for opening Branches of this Bank, viz:—

Freelton.
Kinmount.
Mount Pleasant.

The General Manager reported that no new credits had been granted and the only important advances since last Meeting were as follows:—

The Farmers Co-operative Harvesting Co	Whitby	$ 4,000
A. E. Ames & Co	Toronto	12,600

It was resolved owing to contemplated absence of the General Manager in the Old Country during August, to hold the next Board Meeting on Saturday the 27th of July, and not another Meeting until the regular Meeting in September unless some special circumstances arise when each of the Directors will be duly notified.

The General Manager reported that the business had increased so enormously that he finds our premises below entirely inadequate to take care of the business, and recommended that the three stores adjoining on Adelaide Street be rented on the best possible terms for twenty years to run concurrently with the lease of our present premises, and that they could be fitted up at an expense according to the architect's estimate submitted of about $6,600, which after discussion was adopted.

There being no further business, the meeting adjourned.

"W. Beattie Nesbitt",
President.
"W. R. Travers",
General Manager.

Minutes of the regular Board Meeting held in the Board Room on Saturday, July 27th, 1907, at 2.30 p.m. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert E. Menzie.
Allan Eaton.
Burdge Gunby.
John Gilchrist.
Robert Noble.
Dr. A. Groves.
W. G. Sinclair.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which was done and the same were approved of.

The General Manager read the Financial Statement showing the changes since the last Meeting.

The General Manager reported that he had closed the Weston Branch, and opened at Stouffville; also that arrangements were nearly completed for opening a Branch at Kinmount. Premises had been secured in each place for one and five years at $100 and $150 respectively, with the privilege of further extensions of five years.

The General Manager reported that he had authorized the purchase of the premises occupied by the Milton Branch for $3,000 which was approved of.

The following changes in the Staff were reported:—

Additions.

Earl F. Browning	Camden East	$300
J. A. Meyers	"	400
L. E. Todd	Stouffville	900
Miss H. Carstairs	Toronto	500

Deductions.

G. K. Macbeth	Wallacetown	Resigned

The following stock was duly allotted, as per list, see folio 405.

The General Manager reported that no new credits had been granted since the last Board Meeting.

The General Manager reported that he had made satisfactory arrangements for the conducting of our business during his absence in the Old Country, and that he intended leaving this evening, returning in about a month's time, which was approved of by the Board.

There being no further business, the Board adjourned until the 18th of September.

"W. BEATTIE NESBITT",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, at the Head Office of the Bank, Toronto, Wednesday, September 18th, 1907. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

DR. BEATTIE NESBITT, President.
COL. JAMES MUNRO, Vice-President.
ROBERT NOBLE.
ALLAN EATON.
BURDGE GUNBY.
JOHN GILCHRIST.
W. G. SINCLAIR.
DR. A. GROVES.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which was done and the same duly approved.

The General Manager submitted the Financial Statement of the Board showing the condition on the 31st of August and the changes between the last Board Meeting, July 27th and September 18th.

The General Manager reported that a new Branch had been opened at Kinmount on August 15th.

The following changes in the staff were reported, viz:—

Additions.

Miss T. H. Carstairs	Clerk	Toronto	$550
J. L. Coulter	Junior	Bethany	150
A. B. Todd	Teller	Williamstown	500

Deductions.

Leslie Armstrong	Junior	Cheltenham	Resigned
John R. Baird	Accountant	Toronto	"
A. D. McLeod	Accountant	Williamstown	"

The General Manager submitted the application of Messrs. Elliott & South for a credit of $4,000 to carry on their milling business, which on motion, it was decided that the advance be granted upon the endorsement being satisfactory to the General Manager.

The General Manager reported that he had granted the following credits, viz:—

Winn & Co.	Milton	Credit on own name secured by goods from $4,000 to $7,000 and customers paper from $16,000 to $25,000.

Todd & Co., Millers	Stouffville	$ 20,000
John L. Todd	"	10,000
W. H. Todd	"	7,000
R. E. Menzie	Toronto	2,000
W. H. Hunter	"	5,000
Federal Electrical Construction Company	"	16,000
Canada Show Case Company	"	3,100
C. H. Hubbard & Company	"	1,000
Poole Publishing Company	"	1,600

which was duly approved of.

The General Manager reported the assignment of Messrs. Mashinter & Company, keeping an account at the Toronto Branch, and now owing us $6,250 direct, $2,350 indirect, the former secured, and the latter considered good; also that J. N. Tamlin had deposited some worthless cheques and had drawn against them and now stood in our debt $9,500. The matter is in our Solicitor's hands with good prospects of a settlement, and the amount being paid.

The General Manager then gave a full account of his trip abroad, and reported that he had made most satisfactory arrangements for the handling of the Bank's business in the following places, viz:—

London, England	The London & Westminster Bank
Brussels	The Credit Lyonnaise
Paris	" "
St. Petersburg	" "
Berlin	Handels-Gesellschaft
Edinburgh	The National Bank of Scotland
Glasgow	" " "

and that he had met Viscount Templeton, Mr. Henry Higgins, and other parties who were undertaking to place the balance of our stock under a contract with Mr. Lindsay; and that Lord Templeton had duly qualified as a Director, becoming our Honorary President under a former Resolution of the Board and that all matters connected with the allotting of the Stock and the collecting of the calls thereon were left in the hands of The London Committee.

The Board of Directors took into consideration the date fixed by the by-laws for the Annual General Meeting of the Shareholders of the Bank, and in order to have the fiscal year of the Bank close with the calendar year, the following by-law was adopted subject to the confirmation of the Shareholders at the next General Meeting.

By-law No. 17.

By-law No. 2 of The Farmers' Bank of Canada is hereby amended by striking out the words "the fourth Monday in November in each year beginning with the year 1906" and substituting therefore the words "the third Wednesday in February in each year beginning with the year 1908".

And by order of the Board the Annual General Meeting of the Shareholders which would have been holden on the fourth Monday of November of this year was postponed and adjourned until the said third Wednesday in February, 1908.

There being no further business, the Meeting adjourned.

"W. BEATTIE NESBITT",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room at the Head Office of the Bank, Toronto, Wednesday, October 16th, 1907, Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

DR. BEATTIE NESBITT, President.
COL. JAMES MUNRO, Vice-President.
JOHN GILCHRIST.
BURDGE GUNBY.
W. G. SINCLAIR.
DR. A. GROVES.

The President called upon the General Manager to read the Minutes of the last Board Meeting, and the same were duly approved.

The General Manager submitted the Financial Statement of the Bank, showing the condition on the 30th of September, and the changes between the last Board Meeting and this one.

The General Manager reported the following changes in the Staff.

Additions.

R. R. Fraser	Juniors	Cheltenham	$ 150
A. B. Sorley	Clerk	Toronto	900
C. E. Smith	Accountant	Trenton	600
Goldwin Sherrington	"	Stouffville	450

Deductions.

W. H. Ross	Ledger Keeper	Toronto	Left Service
Lorne S. Farr	Accountant	Stouffville	Resigned
L. R. Davidson	"	Kerwood	"
M. G. Davey	"	Trenton	"

The General Manager reported the following credits granted:—

W. W. Shields	Zephyr	$ 5,000	Secured
R. E. Menzie	Toronto	7,500	"
T. H. Hamilton	"	5,000	"
Stimson & Co.	"	9,500	"
Robert Noble	Norval	40,000 to	$50,000

The General Manager reported that he had visited Belleville and Trenton since the last Board Meeting, and found the Belleville premises nearly finished, and they were very satisfactory with prospects bright for our doing a large business. Trenton premises poor and badly situated, and suitable premises will have to be obtained at once or the Branch closed. The Board authorized the General Manager to use his own discretion with regard to buying the piece of land next to the Post Office and putting a suitable building on it for the Bank.

The General Manager read the Inspector's report on Milton of October the 8th and Southampton of September the 30th and laid the same on the table for the inspection of the Directors. Unanimously approved and considered satisfactory.

The General Manager laid on the table the Full Liability Return of all the Branches of the 30th of September.

The General Manager reported that arrangements had been about completed for opening a Branch in New Toronto.

The General Manager reported the failure of The Poole Publishing Company, customers of the Toronto Branch, with liabilities to the Bank of:—

Loans	$ 6,836
Trade Bills	4,847

and said that the customer's paper would likely all be paid, but that the security held for the loans was doubtful, but that there was a prospect of a favorable settlement.

There being no further business, the Meeting adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, Wednesday, November 20th, 1907. Dr. Beattie Nesbitt, President, in the chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert Noble.
Allan Eaton.
W. G. Sinclair.
John Gilchrist.
Burdge Gunby.
R. E. Menzie.
Dr. A. Groves.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, they were duly approved of.

The General Manager submitted the Financial Statement of the Bank showing the condition on the 31st Octobe and the changes between the last Board Meeting and this.

The General Manager reported the following changes in the staff:—

Additions.

R. E. Culbert	Acting Manager	New Toronto	$ 800
G. T. Fitchett	Accountant	Burgessville	400
E. R. Hayes	"	N. Claremont	450
L. H. Milliken	Manager	Springford	700
J. J. Macdonald	Teller	Camden East	500
L. M. Montgomery	Accountant	New Toronto	500
George Quigley	Junior	Toronto	200
W. P. Williams	Ledger Keeper	"	500

Deductions.

C. E. Hall	Discount Clerk	Toronto	Resigned
J. A. Meyers	Accountant	Camden East	"
F. Waterbury	"	Southampton	Dismissed

The General Manager reported the following credits granted:—

F. H. Ross & Co	$ 8,645	Secured.
Lawrence-Davey Leather Company	5,000	Secured under section 88 of the Bank Act.
Call Loans	8,000	Secured by Stocks.
Robert Noble	60,000	Secured by warehouse receipts and assignment af grain, flour, etc., etc., under section 88 of the Bank Act.
C. E. Galloway	5,000	On own paper.

The following Stock was duly allotted, and the allotment made by the London Committee, as per list, was duly confirmed, see folio 405.

The General Manager reported that Branches had been opened at North Claremont, Springfield, New Toronto and Beachville, Sub-Branch of Burgessville, and that arrangements are now nearly completed to open in Sharbot Lake and Stayner.

The General Manager reported that he had purchased a lot in Trenton for $2,375, and that the architect had prepared plans for a very handsome and comfortable office to be built thereon for about $6,000.

The General Manager read the Inspection Reports of the following Branches:—

Burgessville	October	17th
Cheltenham	"	25th
Williamstown	"	24th
Kerwood	"	15th
Norval	"	23rd
Hawkestone	November	4th
Hillsdale	October	30th

all of which were satisfactory to the Board.

There being no further business, the Board adjourned.

"W. BEATTIE NESBITT",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, Wednesday, December 18th, 1907. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Allan Eaton.
Burdge Gunby.
John Gilchrist.
Robert Noble.
Dr. A. Groves.
W. G. Sinclair.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, the same were approved of.

The General Manager submitted the Financial Statement of the Bank, showing the condition on the 30th of November, and the changes which have taken place between last Board Meeting and this.

The General Manager reported the following changes in the Staff:—

Additions.

J. J. Buchanan	Manager	Stayner	$ 800
J. B. Crozier	Junior	Kerwood	150
S. M. Davidson	Accountant	Stayner	600
W. V. Galbraith	Junior	Wallacetown	150
R. Hadden, Jr	"	Norval	300
C. S. Macdonald	Manager	Williamstown	900

Deductions.

F. J. Hamilron	Manager	Williamstown	Resigned

The General Manager reported that no new Credits of any importance had been granted since last Board Meeting, and that he had been endeavoring to get everything paid up as much as possible with the view of enlarging the cash balance.

The following stock was duly allotted, as per list, see folio No. 405.

The following Stock was duly cancelled:—

Thos Cox	Milton	25	Shares	$ 2,500
Thomas Elliott	Lowville	5	"	500
Thomas Hunter	Norval	25	"	2,500
Mrs. A. Hamilton	Milton	5	"	500
D. C. Kemp	Hornby	30	"	3,000
Alex. Matthews	Guelph	5	"	500
John Pell	Omagh	9	"	900
George Storey	Milton	50	"	5,000
Mrs. Eliza A. Weir	Kelso	3	"	300
E. W. Snelgrove	Brighton	10	"	1,000
C. S. Aylwin	Breeman	10	"	1,000
Ella M. Beatty	Milton	1	"	100
George Laird	Ashgrove	10	"	1,000
G. H. Thompson	Hornby	35	"	3,500
		223		$22,300

The General Manager read the Inspection Reports of the following Branches:—

Belleville	November 19th
Trenton	" 20th
Toronto	" 30th

all of which were satisfactory to the Board.

The General Manager reported that it might be necessary to overdraw the account of this Bank with the Merchants National Bank of New York, against securities held by them, and that in order to do so the said Bank desired a Resolution of the Board of Directors, threefore, it was unanimously resolved that the following Resolution be adopted, viz:—

"Rsolved, That the General Manager of this Bank is hereby authorized to effect loans from time to time on behalf of this Bank from The Merchants National Bank of the City of New York, the proceeds of such loans to be credited to this Bank by the said Merchants National Bank on its books; and for such loans to make, execute and deliver the promissory notes of this Bank, and, if required, by the said Bank, to pledge as collateral security for such loans and for other liabilities of this Bank, any of the bonds, Stocks, Bills Receivable, or other Securities or property of this Bank, upon such terms as to lien upon, resort to, and application of such collateral and its proceeds as may be satisfactory to the said Bank, and that such officers are respectively authorized in lieu of effecting and securing loans as aforesaid, to procure from time to time, to be re-discounted by the said Merchants National Bank, for this Bank any of the Bills Receivable held by this Bank, upon such terms as to collateral security and otherwise, as may be satisfactory to the said Bank."

The General Manager read a letter from Mr. W. J. Lindsay in respect to the renewal of his contract for the sale of the stock of this Bank, and after some discussion, it was unanimously resolved, not to renew the said contract, leaving the Bank free to place the remainder of its stock as it may see fit.

The General Manager read the report of Mr. Robert Steven, of London, England, who had come out at the request of the London Committee to examine the position and affairs of this Bank.

The General Manager reported that new Branches had been opened at:—

Springford,
Stayner,
Sharbot Lake,

and a Sub-Branch of Trenton at Sprinbrook, and that arrangements were under way to open at:—

Lindsay and Athens.

It was decided to have a Special Meeting of the Board on the 31st inst.

There being no further business, the Board adjourned.

"W. BEATTIE NESBITT",
President.

"W. R. TRAVERS",
General Manager.

SESSIONAL PAPER No. 153a

Minutes of a Special Meeting of the Board of Directors, of The Farmers Bank of Canada, held in the Board Room at the Head Office, Tuesday, December 31st, 1907. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

Dr. Beattie Nesbitt, President.
Col. James Munro, Vice-President.
Robert Noble.
Allan Eaton.
Burdge Gunby.
John Gilchrist.
R. E. Menzie.
W. G. Sinclair.
Dr. A. Groves.

The General Manager presented a brief statement of the affairs of the Bank, and after discussion it was decided not to pay any dividend for 1907, and that the matter be left in abeyance until after the Annual General Meeting in February.

The following Stock was duly cancelled; every effort having been made to obtain payment which was found impossible.

R. W. Fox	Omagh	15	shares	$ 1,500
H. F. Johnson	Boyne	2	"	200
L. Cheyne	Brampton	5	"	500
James Ford	Boyne	40	"	4,000

The following Inspection reports were read to the Board:—

Camden East	December 20th
Bethany	" 21st
Stouffville	" 18th
Fingal	November 28th
Wallacetown	" 27th
Zephyr	December 19th

all of which were satisfactory to every member of the Board.

The General Manager reported that he had overlooked advising the Board of all documents that were signed with the Seal of the Bank under By-law No. 6, and had now to report that the only documents so signed were leases of the premises of the Branches and Sub-Branches.

The following stock was duly allotted, as per list, see folio 4605.

After general discussion on the affairs of the Bank, and there being no further special business, the Meeting adjourned.

"W. Beattie Nesbitt",
President.

"W. R. Travers",
General Manager.

Minutes of the Regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, Wednesday, January 15th, 1908. Dr. Beattie Nesbitt, President, in the Chair.

The following Directors were present:—

DR. BEATTIE NESBITT, President.
COL. JAMES MUNRO, Vice-President.
JOHN GILCHRIST.
BURDGE GUNBY.
W. G. SINCLAIR.
ROBERT NOBLE.
ALLAN EATON.
DR. A. GROVES.

The President called upon the General Manager to read the Minutes of the last regular Board Meeting, and also Special Meeting of December 31st, which having been done, the same were duly approved of.

The General Manager presented a full statement of the affairs of the Bank at the close of business on December 31st, and explained any changes since then to date. He also submitted the report to be presented at the Annual Meeting of the Shareholders on February 19th next.

The General Manager reported the following changes in the Staff:—

Additions.

R. H. Baxter	Junior	Bethany	$ 150
H. M. Buell	"	Sharbot Lake	150
Melvin A. Craven	"	Stayner	150
J. P. Hale	"	Burgessville	450
Leslie L. Spoffard	"	Stouffville	150

Deductions.

W. S. Alderson	Junior	Cheltenham	Resigned
F. Helen Carstairs	Stenographer	Toronto	"
W. D. Paxton	Manager	New Toronto	"
E. F. Browning	Junior	Camden East	"

The General Manager reported that a Branch had been opened in Athens with excellent prospects.

The following credits were granted:—

Clyde Forks Lumber Co	Sharbot Lake	$10,000

The following Stock was duly allotted, as per list, see folio 406.

The following stock was duly cancelled:—

Jacob Vice	Toronto	49 shares
Dr. W. E. Hamill	"	49 "
Dr. T. H. Wylie	"	93 "

There being no further business, the Meeting adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

The first Annual Meeting of the Shareholders of The Farmers Bank of Canada was held on Wednesday, the 19th day of Fabruary, 1908, in the Board Room of the Bank. Among those present were:—George A. Bell, D. H. Bennett, Burwell Bridgman, Charles G. Davis, Albert J. Downs, Edward W. Downs, Allan Eaton, Robert A. Elliott, Andrew Emerson, D. F. Ford, Ida A. Ford, Eliat Fuller,

John Gilchrist, Greenlees Bros., Burdge Gunby, Thos. H. Hamilton, Mary A. Harris, C. E. Hollinrake, John Hunter, W. H. Hunter, George E. Husband, R. W. Husband, Robert F. Leslie, James R. Lindsay, James Logie, T. F. Mills, John T. Mitchell, Alfred Morrison, Hugh Morrison, Col. James Munro, Robert C. McCullouch, Dr. William Beattie Nesbitt, Robert Noble, W. N. Scott, William G. Sinclair, M. W. Smith, James Stewart, George A. Sutherland, W. L. Symons, Arnold W. Thomas, William G. Wilson, and 1,302 shares represented by proxy.

Moved by Col. Munro, seconded by John Gilchrist, that the President take the Chair, the General Manager act as Secretary, and W. H. Hunter and W. L. Symons be appointed Scrutineers.—*Carried.*

By-law No. 17 amending By-law No. 2 of The Farmers Bank of Cnaada is hereby amended by striking out the words, the fourth Monday in November in each year beginning with the year 1906, and substituting therefor, the words, the third Wednesday in February in each year beginning with the year 1908.

The president called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, the same was duly approved of.

The Chairman then asked the Secretary to read the report of the Directors; see folio 404.

Moved by Dr. Beattie Nesbitt, and seconded by Col. James Munro, that the Report as read be adopted.—*Carried.*

Moved by Dr. Beattie Nesbitt, and seconded by Col. James Munro, that the ballot box be now opened and remain open until four o'clock for the election of nine Directors for the ensuing year, the ballot to be closed whenever five minutes elapse without a vote being tendered.

Moved in amendment by John Gilchrist, and seconded by Allan Eaton, that the Scrutineers cast one ballot for nine Directors.—*Amendment carried.*

Moved by W. H. Hunter, seconded by W. L. Symons, that the said By-law be and is hereby confirmed.

Moved in amendment by Burdge Gunby, seconded by W. G. Sinclair, that the third Wednesday in January be substituted for February.—*Amendment Carried.*

The Scrutineers presented the following report:—

Toronto, February 19th, 1908.

W. R. Travers, Esq.,
General Manager.

Sir:—

We, the undersigned scrutineers appointed at the General Meeting of the Shareholders of The Farmers Bank of Canada, held this day, hereby declare the following gentlemen duly elected Directors for the ensuing year:

Rt. Hon. Viscount Templeton.
Lt. Col. James Munro, M.P.P.
Robert Noble.
John Gilchrist.
Allan Eaton.
Robert E. Menzie.
Burdge Gunby.
W. G. Sinclair.
A. Groves.

Signed: W. H. Hunter.
W. L. Symons.

There being no further business, the Meeting adjourned.

"James Munro",
President.

"W. R. Travers",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, Wednesady, February 19th, 1908.

The fololwing Directors were present:—

COL. JAMES MUNRO.
ROBERT NOBLE.
JOHN GILCHRIST.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.

The General Manager took the Chair.

Upon motion, Col. Munro was elected President.

The Chair was then taken by the President.

Upon motion, Rt. Hon. Viscount Templeton was elected Honorary President, and John Gilchrist, Vice-President.

The President called upon the General Manager to read the Minutes of the last Meeting, which was done, and duly approved.

The General Manager presented the Financial Statement.

The resignation of Mr. R. E. Menzie was read and accepted.

Mr. W. R. Travers was elected a Director and Second Vice-President.

The General Manager reported that he had opened a Branch under favorable circumstances at Brucefield, taking over the Sovereign Bank's premises, fixtures, etc., and also recommended that Branches be opened at Millbank, Arkona and Dashwood. He also reported that Hawkestone Branch will be closed at the end of the month.

The General Manager reported that the following credits were granted since last Board Meeting:—

John Bell		Dunsford		$ 5,000
Thompson & Avery		Sharbot Lake	Loans	5,000
"		"	T. B's	5,000

The General Manager reported the following changes in the Staff:—

Additions.

Roy E. Davis	Junior	Athens	$ 200
Frederic C. Foy	"	Toronto	200
Gordon Henderson	"	New Toronto	200
Henry R. Laird	Manager	Brucefield	600
James E. Tanner	Junior	Trenton	200

Deductions.

Isaac Lunney	Messenger	Toronto	Resigned
W. W. Petley	Accountant	Belleville	"

Moved by Allan Eaton, seconded by Burdge Gunby, that I. H. Spink, Inspector, be hereby authorized to sign pro General Manager on the Government Statements.—*Carried.*

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

SESSIONAL PAPER No. 153a

Minutes of the regular Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board-Room at the Head Office, on Wednesday, March 18th, 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ROBERT NOBLE.
BURDGE GUNBY.
ALLAN EATON.
W. G. SINCLAIR.
A. GROVES.

The President called upon the General Manager to read the Minutes of the last regular Board Meeting, which having been done, were duly approved.

The General Manager presented the Financial Statement, showing the standing of the Bank, and the changes since last Board Meeting.

The General Manager reported that Branches had been opened at:—

Millbank,
Arkona,
Dashwood.

and the Sub-Branches at Beachville and North Claremont had been closed.

The General Manager reported the following changes in the staff:—

G. P. Ash	Acting Manager	Dashwood	$ 600
A. E. Kelly	Junior	Milton	150
Geo. L. Lackner	Manager	Bethany	700
F. W. Jacobs	"	Kerwood	600
A. Lankin	Junior	Arkona	300
H. M. McKenzie	Accountant	"	400
A. H. Weltin	Junior	Dashwood	150

Deductions.

H. L. Pratt	Manager	Southampton	Deceased
Bessie L. Baxter	Clerk	Toronto	Resigned
B. L. Baker	Junior	Stouffville	"
A. E. Debereiner	Manager	Pontypool	"
George M. Laing	Acting Manager	New Toronto	"

The General Manager reported the following Credits granted since the last Board Meeting.

Robert Noble	Norval	Increased	$ 6,000
Thomas Baker	Toronto	"	12,246
H. S. Wilson	"	"	3,061

The General Manager reported that there were irregularities in connection with the Southampton Branch, but to what extent, could not be yet ascertained as the Inspector was not through full inspection.

The General Manager reported that an advance made to Philip McLeod and wife, of Hawkestone, had become overdue and placed in our Solicitor's hands for collection.

The General Manager presented the resignation of Mr. John Gilchrist as a Director, which on motion, it was decided to accept the same.

The General Manager submitted the proposition of Mr. Chevrier for The Continental Securities Company, of Winnipeg, to subscribe through Trustees for 5100 shares of our Stock at $130 each, on which a commission is to be allowed

him of $15.00 per share, payable when the shares are paid for, and to provide for this subscription, it was resolved that the following stock be cancelled:—

Lindsay, W. J.	Toronto	440	shares
Casey, Thomas	Fingal	2	"
Church, Ephraim	Iona	1	"
Dewar, John	Milton	5	"
Davison, M.	Flint, Mich	50	"
Sayers, Peter	Guelph	10	"
Smith, Flint P.	Flint, Mich	50	"
Wharton, Miss E.	Teeswater	3	"
Beattie, Matthew	Campbellville	5	"
Luxton, A. G. H.	Milton	10	"
Fortier, Joseph	Montreal	2	"
		578	shares

and with the balance of the unsubscribed Stock, viz:—3914 shares, making in all 4492 shares, be and are hereby allotted to the said Securities Company, and the General Manager is hereby authorized to procure the transfer of 608 shares to complete the 5100 shares required to give effect to this proposition.

The General Manager submitted plans for the proposed building of the Bank at Sharbot Lake at a cost of $2,250, which were duly approved of.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the regular Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, Wednesday, April 15th, 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
ALLAN EATON.
W. G. SINCLAIR.
A. GROVES.

The President called upon the General Manager to read the Minutes of the last regular Meeting, which having been done, was duly approved of.

The General Manager presented the Financial Statement, showing the standing of the Bank and changes since last Board Meeting.

The General Manager reported that the Branches at New Toronto and North Claremont had been closed.

The General Manager reported the following changes in the Staff:—

Additions.

O. S. Bradburn	Junior	Bethany	$ 150
Miss Alice Colgate	Clerk	Toronto	600
R. T. Dunlop	Manager	Dashwood	700
J. J. Fleury	Junior	Lindsay	200
S. J. Gropp	Accountant	Stayner	300
J. H. O'Neill	Junior	Brucefield	150

Deductions.

G. P. Ash	Manager	Dashwood	Resigned
F. J. Delbridge	"	Cheltenham	"
Leslie L. Spoffard	Junior	Stouffville	"

The General Manager reported that no credits exceeding $5,000 had been granted since last Board Meeting.

The General Manager reported that in accordance with the Resolution passed at last Board Meeting, 5,100 shares of Stock were now standing in the names of:—

HORACE CHEVRIER.
JOHN F. LANGAN,
JOHN T. HUGGARD,

as Trustees for The Continental Securities Company, Winnipeg, Man.

The following Stock was duly allotted:—

Patrick Joseph Murphy.....Lindsay..... 1 share

The following Stock was duly cancelled:—

Rev. Daniel O. Crossley.....Whitby..... 1 share

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room of the Head Office, Wednesdaf, May 20th, 1908, Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ROBERT NOBLE.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly approved of.

The General Manager submitted the Financial Statement showing the position of the Bank, on the 30th of April, 1908, and the changes since last Board Meeting.

The General Manager reported that he had closed Springford Branch, there being no prospect of making it pay.

The General Manager reported the following changes in the Staff:—

Additions.

R. E. Dunn	Manager	Stayner	$ 600
C. R. Hill	"	Toronto	1,100
J. E. McKay	Teller	Williamstown	300

Deductions.

J. J. Buchanan	Manager	Stayner	Resigned
H. G. McVittie	Accountant	Lindsay	"
E. R. Hayes	"	"	"
L. H. Milliken	Manager	Springford	"
S. M. Davison	"	Southampton	"

The General Manager reported the following credits of $5,000 and upwards had been granted since last Board Meeting:—

W. J. & W. B. Moore.....Lindsay.....$5,000.....$3,000 own name.
2,000 Farmers Notes.

The General Manager read the resignation of Viscount Templeton, as a Director and Honorary President of this Bank, and upon motion it was resolved that the General Manager advise him that if the balance of his stock is paid by the next Meeting, the matter of his resignation will have consideration.

The General Manager read the Inspection Reports of the following Branches:—

Southampton	March 12th
Norval	May 13th
Milton	" 13th

all of which was satisfactory to the Board.

The General Manager gave the Board a full verbal report of his trip to Winnipeg and the West with reference to placing of stock up there, and the opening of Branches, and also reported that W. J. Lindsay had issued a writ against the Bank and himself personally, claiming larger commissions than had already been paid.

There being no further business, the Board adjourned.

"A. GROVES",
For President,
Chairman.

"W. R. TRAVERS",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office of the Bank, Wednesday, June 17th, 1908. The President being absent, upon motion, Mr. A. Groves took the Chair.

The following Directors were present:—

BURDGE GUNBY.
ROBERT NOBLE.
ALLAN EATON.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The Chairman called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly approved of.

The General Manager submitted the Financial Statement showing the position of the Bank on the 31st of May, 1908, and all important changes since last Board Meeting.

The General Manager reported that he had given instructions to close Stayner Branch, and that Shannonville, Sub-Branch to Belleville, had been closed.

The General Manager reported the follwoing changes in the Staff:—

Additions.

J. Lorne Dickson	Manager	Wallacetown	$ 600
A. McKee	Junior	"	150

Deductions.

H. J. G. Macoun	Manager	Wallacetown	Resigned

The General Manager reported that he had communicated the wishes of the Board to Viscount Templeton but had received no reply.

The General Manager reported the following Credits of $5,000 and upwards had been granted since last Board Meeting, viz:—

George Wishart and Keeley, J. W. Mine		$ 50,000
W. H. Hunter and R. Home Smith		8,000
Thomas Baker	$ 11,000	
J. H. Adams	3,000	
A. T. Webster	3,000	
H. T. Wilson	3,000	
Cyrus A. Birge	3,000	
		$ 23,000

The General Manager explained the formation and interests in Keeley Mine, which was satisfactory to the Board, and further advances were authorized if necessary.

The General Manager read the Inspection Report of Burgessville Branch which was satisfactory to the Board.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

The Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office of the Bank, Wednesday, July 15th, 1908, the President in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ROBERT NOBLE.
ALLAN EATON.
A. GROVES.
BURDGE GUNDY.
W. G. SINCLAIR.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly approved of.

The General Manager submitted the Financial Statement, showing the position of the Bank on the 30th day of June, 1908, and all the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

F. H. De B. Braund	Clerk	Toronto	$ 600
B. F. Bissonnette	Accountant	Trenton	600
I. C. Crawford	Junior	Arkona	150
R. H. V. McCartney	"	Bethany	150

Deductions.

E. E. Dunn	Manager	Stayner	Resigned
P. H. Frayne	"	Trenton	Dismissed
George Hennessey	Junior	"	"
G. E. Smith	Accountant	"	"
George Thomson	"	Belleville	Resigned
W. J. Thomson	Manager	"	"

The General Manager reported that no new credits of any importance had been granted since last Board meeting.

The General Manager read the Inspection Reports of

Belleville,	June 3rd, 1908
Camden East,	June 2nd, 1908
Zephyr,	May 27th, 1908

The General Manager reported that the Manager and Accountant at Trenton Branch had been guilty of wilful negligence and gross irregularities which are now under examination, and a defalcation is likely to be the result, but the same is covered by a guaranty bond.

The question of declaring a dividend, laid over from last Board Meeting, was again discussed, and on motion of W. G. Sinclair, seconded by B. Gunby, it was decided to pay a dividend for six months ending June 30th, 1908, of 2%, being at the rate of 4% per annum.—*Carried unanimously.*

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office of the Bank, Wednesday, August 19th, 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ROBERT NOBLE.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly approved of.

The General Manager read the Financial Statement, showing the position of the Bank on the 31st day of July, and all important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

H. E. Grass	Junior	Belleville	$ 150
C. H. Gray	Teller	"	500
P. H. Jory	Manager	"	900
J. F. Kelly	Clerk	Toronto	550
A. C. McBride	Manager	Embro	800
C. G. Walker	Inspector	Toronto	800

Deductions.

J. H. Spink	Inspector	Toronto	Resigned
F. C. Foy	Junior	"	"
E. C. Bastedo	Teller	Belleville	"
J. L. Dickson	Manager	Wallacetown	"
C. B. Green	Junior	Belleville	"
A. B. Todd	Ledger	Toronto	"
W. V. Galbraith	Junior	Wallacetown	"
J. H. O'Neill	"	Brucefield	"

The General Manager read the Inspection Reports of Pontypool and Hillsdale Branches, which were considered satisfactory.

The General Manager reported that the defalcation at Trentin so far has reached about $8,000, and that the Manager, Accountant and Ledger-Keeper had been discharged from the service. Claim had been made upon the Guaranty Company, and we would likely recover the full amount.

The General Manager reported that Dividend Cheque No. 1 to Shareholders of record of June 30th, 1908, payable September 1st, had been prepared, amounting to $8,412, and the same will be mailed this week.

The General Manager reported that he had made satisfactory arrangements for the purchase of Col. Munro's business in Embro, and a branch would be opened there in the course of a few days, and also that arrangements had been made for a Branch at Lakeside, to be opened this week.

The General Manager reported that he had closed the Branch at Wallacetown and that he had made Kinmount a Sub-Branch of Lindsay, to economize expenses.

The General Manager reported that deposits had reached the million-dollar mark, and that loans and discounts were being kept down to the lowest possible level, and that a large cash reserve was being maintained in anticipation of millers' and drovers' requirements in the Fall.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office of the Bank, Wednesday, September 16th, 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly approved.

The General Manager presented the Financial Statement, showing the position of the Bank as on the 31st of August, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

R. J. Hewat	Manager	Southampton	$ 800
Allan Munro	Accountant	Embro	500

Deductions.

J. S. Chadburn	Manager	Athens	Resigned
P. H. Jory	"	Belleville	"

The General Manager read the Inspector's Reports of Athens and Philipsville, which were fully discussed, and approved of by the Board.

The General Manager, in accordance with the Minute of the last Meeting, reported that Branches of the Bank have been opened at Embro and Lakeside, also that he had visited Athens and found conditions and prospects there favorable to our building up a paying business.

The General Manager reported that the following Credits had been granted since last Board Meeting, which were approved of viz.:—

R. A. Scarlet	Pontypool	$5,000

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

The Minutes of the Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office of the Bank, Wednesday, October 21st, 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly approved of.

The General Manager presented the Financial Statement, showing the position of the Bank as on the 30th of September, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions:

Allan Lane	Junior	Toronto	$ 300

Deductions:

Alice M. Colgate	Stenographer	Toronto	Resigned
Roy D. Freeman	Junior	"	"
C. T. Gwyn	Accountant	Milton	"
Gordon Henderson	Junior	Sharbot Lake	"
M. Martin	Accountant	Lindsay	"
W. P. Williams	Ledger Keeper	Toronto	"

The General Manager read the Inspector's Reports of the following Branches:

Bethany	October	2nd
Sharbot Lake	September	22nd
Williamstown	"	10th

which were satisfactory to the Board.

The General Manager reported that owing to insufficient support, he had closed the Hillsdale Branch.

The General Manager reported that the following Credits were granted since last Board Meeting:—

Elliott and South	$ 5,000.	Renewal for one year. Security, Assign, Grain, Flour, etc., under Section 88 B.A.
Alex. L. Noble	35,000.	To continue business of the late Robert Noble until affairs of the estate are settled up.

The President stated that since the last Meeting, the Board had sustained a loss in the death of Robert Noble, who was a regular attendant at the Meetings and took an active interest in the affairs of the Bank. It was moved by Mr. Burdge Gunby and seconded by Dr. A. Groves, and unanimously carried, that the following resolution of condolence be sent to his family.:—

"The Board of Directors of The Farmers Bank of Canada deeply deplore the loss of one of its most valuable Directors in the person of the late Robert Noble, of Norval. He attended every Board Meeting, except two, since the formation of the Bank. Being a man in a large way of business and of the highest integrity, his influence and advice in matters connected with the Bank's business, was of great value, and will hereafter be much missed. The deepest sympathy of the Board is extended to his family."

Col. James Munro, Burdge Gunby and Dr. Groves reported having destroyed $60,000 of the Bank's mutilated circulation, composed of the following denominations:—

6,500 Fives	$ 32,500	
1,500 Tens	15,000	
500 Twenty-Fives	12,500	$ 60,000

the consummation of which was accomplished in the crematory of The Imperial Bank of Canada.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room on Wednesday, the 18th of November. 1908. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
W. R. TRAVERS.

The President Called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly approved of.

The General Manager presented the Financial Statement, showing the position of the Bank on the 31st of October and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

Victor A. Burke	Ledger Keeper	Toronto	$ 400
Ralph Clement	Junior	"	200
George E. Cleave	"	Norval	150
E. M. Doull	Clerk	Toronto	500
Miss Hazel A. Gowans	Stenographer	H. O.	520
W. W. Lowery	Junior	Trenton	150
Miss H. M. McKenna	Stenographer	Toronto	700
Charles P. McCully	Clerk	"	500
Duncan Reid	Junior	Springbrook	150

Deductions.

S. J. Gropp	Ledger Keeper	Toronto	Dismissed
E. G. Hooper	Junior	"	"
W. H. G. Macpherson	Clerk	"	"
D. C. McCallum	Teller	"	"
S. R. Smart	Manager	Milton	"

The General Manager reported that the following Credits had been granted since the last Board Meeting:—

John Tevis	New York	$120,000	Secured by the same amount of The American Piano Co.'s. preferred cumulative 7% Stock.
W. W. Shields	Zephyr	6,000	To purchase grain ($5,000 renewal).

The General Manager read the Inspection Reports on the Following Branches:

Lindsay	October 7th
Millbank	November 5th
Southampton	October 22nd

which were satisfactory to the Board.

The General Manager reported that the Trustees of the Continental Securities Co., Winnipeg, who had subscribed for $510,000 of our Stock, had transferred the same to

John Tevis	New York		$112,000
M. D. Chapman	"	(Fully Paid)	3,000
M. D. Chapman	"	Trustee	385,000

The above reported loan to Mr. John Tevis being accepted in payment of $115,000 Stock, and explained the transaction in detail, with his opinion as to the good results probable to follow the transaction.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the regular Board Meeting of the Directors of The Farmers Bank of Canada held in the Board Room on Wednesday the 16th day of December, 1908, Col. James Munro in the chair.

The following Directors were present:—

Col. James Munro.
Allan Eaton.
W. G. Sinclair.
Burdge Gunby.
A. Groves.
W. R. Travers.

The President called upon the General Manager to read the Minutes of the last Board Meeting which having been done were duly approved of.

The General Manager presented the Financial Statement showing the position of the Bank on the 30th of November, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

Arthur Butcher	Junior	Toronto	$ 200
William Cook	Accountant	"	750
W. C. Simpson	Clerk	"	600

Deductions.

J. J. Macdonald	Teller	Toronto	Resigned

The General Manager reported that the following Creditor had been granted since the last Board Meeting.

William Gibson	Springbrook	$ 7,000		
		Own name	$ 3,000	
		Trade Paper	4,000	Renewal

The General Manager read the Inspection Reports of the following Branches:—

Milton	November	12th
Arkona	"	27th
Kerwood	"	30th
Brucefield	December	3rd
Dashwood	"	4th
Fingal	"	8th

which were satisfactory to the Board.

It was moved by W. G. Sinclair and seconded by Allan Eaton, and unanimously resolved that a dividend of 2% per annum being at rate of 4% per annum, for the six months ending December 31st, 1908, be declared and the same be payable on and after the 1st of February, 1909, transfer books to be closed from the 1st to the 15th of January inclusive, and that the General Manager is hereby authorized to give notice of the same, also of the Annual Meeting of the Shareholders for the election of Directors and the transaction of all other business for Wednesday the 20th day of January, 1909.

Messrs. Gunby, Groves and Eaton reported having destroyed $90,000 of the Bank's mutilated circulation composed of the following denominations:

14000 × 5	=	$ 70,000
2000 × 10	=	20,000
		$ 90,000

The consummation of which was accomplished in the crematory of The Imperial Bank of Canada.

There being no further business, the Board adjourned.

"James Munro", *President.*
"W. R. Travers", *General Manager.*

The Second Annual Meeting of the Shareholders of the Farmers' Bank of Canada was held on Wednesday, the 20th day of January, 1909, in the Board Room of the Bank.

Among those present were:—

Col. James Munro, B. Gunby, W. G. Sinclair, Allan Eaton, W. H. Hunter, Dr. W. B. Nesbitt, W. L. Symons, and a large number of other Shareholders, while there were 1,062 Shareholders represented by proxy.

Moved by Dr. Nesbitt, Seconded by W. L. Symons that the President take the Chair, the General Manager act as Secretary, and W. H. Hunter and W. L. Symons be appointed Scrutineers.

Carried.

On motion the Minutes of the last Meeting were taken as read. The President called upon the Secretary to read the Annual Report. The Secretary read the Report of the Directors as follows, see page 403.

Moved by Col. James Munro, Seconded by Mr. Gunby, that the report be adopted.

Carried.

Moved by W. H. Hunter, Seconded by W. L. Symons, that Mr. Burdge Gunby cast one ballot for seven Directors.

Carried.

The Scrutineers presented the following report:—

TORONTO, January 20th, 1909.

W. R. TRAVERS, Esq.,

General Manager.

Sir,

We, the undersigned Scrutineers, appointed at the General Meeting of the Shareholders of The Farmers Bank of Canada, held this day, hereby declare the following gentlemen elected Directors for the ensuing year:

RT. HON. VISCOUNT TEMPLETON.
LT. COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

Sgd. W. H. HUNTER,
" W. L. SYMONS.

Moved by Dr. Nesbitt, Seconded by W. L. Symons, that an unanimous vote of thanks be tendered by the Shareholders to the Directors for the manner in which they have cared for the interests of the Bank during the year.—*Carried.*

Moved by Dr. Nesbitt, Seconded by B. Gunby, that a special vote of thanks be tendered to the General Manager, W. R. Travers, for his care, oversight and interest in handling the affairs of the Bank during two years.—*Carried.*

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held immediately after the Annual Meeting of the Shareholders on Wednesday, 20th day of January, 1909.

On motion, the Rt. Hon. Viscount Templeton was elected Honorary President; Col. James Munro, President; and W. R. Travers, Vice-President.

The following Directors were present:—

Col. James Munro.
Allan Eaton.
Burdge Gunby.
W. G. Sinclair.
W. R. Travers.

The President called upon the General Manager to read the Minutes of the last Board Meeting which having been done, were duly approved of.

The Board accepted the Statement as read at Annual Meeting as the financial condition of the Bank.

The General Manager reported the following changes in the Staff:—

Additions.

E. H. Benson	Accountant	Lindsay	$ 350
G. K. Eaton	Clerk	Toronto	400
Jno. E. Hamilton	Junior	Emero	150
George Harris	"	Lakeside	150
John E. O'Neill	"	Burgessville	100

Deductions.

Arthur Butcher	Junior	Toronto	Resigned
P. W. Grandjean	Clerk	Southampton	"

The General Manager reported that no new credits had been granted during the month but that The Clyde Forks Lumber Co. and Thompson and Avery, or Sharbot Lake, had been renewed for another year, also The Noble Estate $40,000.

The General Manager read the Inspection Reports of the following Branches:—

Belleville	December 31st
Stouffville	" 15th
Trenton	" 29th
Toronto	" 31st

which were satisfactory to the Board.

The Resignation of Mr. A. Groves, as a member of the Board was read, and on motion it was laid over till next Meeting.

There being no further business, the Board adjourned.

"James Munro",
President.

"W. R. Travers",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 17th day of February, 1909, at 2 p.m., James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly approved of.

The General Manager presented the Financial Statement showing the condition of the Bank to the 31st of January, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

O. R. Henry	Junior	Toronto	$ 300
Finlay McKay	"	Millbank	150

Deductions.

D. F. Bissonette	Accountant	Trenton	Resigned
Ralph Clement	Junior	Toronto	"
R. Hadden	Ledger Keeper	Trenton	"
Allan Lane	Clerk	Toronto	"
Scott Merrill	Manager	Burgessville	"
C. D. Martyn	Clerk	Toronto	Dismissed
Miss M. McKenna	Stenographer	"	Resigned

The General Manager reported that no new Credits of $5,000 and over had been granted since last Board Meeting, and submitted a request of the Noble Estate for an additional credit of $10,000.

The General Manager read the Inspection Reports of the following Branches:—

Athens	February	1st
Camden, East	"	6th
Norval	"	10th
Philipsville	"	2nd
Williamstown	January	21st

which was satisfactory to the Board.

The General Manager reported that it was his intention to close Southampton Branch at an early date, and open in Haileybury, and also that he was making arrangements with the Royal Bank to take over our Belleville business.

There being no further business the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 17th day of March, 1909, at one p.m., Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting which having been done were duly approved of.

The General Manager presented the Financial Statement showing the condition of the Bank to the 27th of February, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

S. E. Burwell	Manager	Fingal	$ 500
Charles H. Day	"	Haileybury	1,500
J. E. Farmer	Junior	Stouffville	150
Harvey Lyons	"	Kerwood	150
W. S. Pogue	"	Lindsay	150

Deductions.

F. H. de B. Braund	Accountant	Lindsay	Resigned
C. H. Gray	"	Belleville	"
R. J. Hewat	Manager	Southampton	"
George L. Lackner	"	Bethany	"
W. W. Lowery	Junior	Frankford	"
J. B. Connell	Manager	Norval	Dismissed

The General Manager reported that the following renewal had been granted since last Board Meeting, viz:—

Township of Charlottenburg	Williamstown	$ 8,000

The General Manager read the Inspection Reports of the following Branches:—

Bethany	February 2nd
Milton	March 3rd
Norval	February 18th
Spring Brook	" 18th

and also reported that Southampton Branch had been closed and a Branch at Haileybury duly opened. Which was satisfactory to the Board.

Messrs. Burdge Gunby, Allan Eaton and W. G. Sinclair reported having destroyed $250,000 of the Bank's mutilated circulation composed of the following denominations, viz:—

15 00	×	5	$ 77,500
4500	×	10	45,000
2700	×	25	67,500
900	×	50	45,000
150	×	100	15,000
			$250,000

the consummation of which was accomplished in the crematory of The Imperial Bank of Canada on March 17th, 1909.

There being no further business the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 21st of April, 1909, at one p.m., Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
A. GROVES.
W. R. TRAVERS

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were fully approved of.

The General Manager presented the Financial Statement of the Bank, showing the condition of the Bank to the 31st of March, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

W. A. Baker	Accountant	Milton	$ 500
C. E. Dickson	Junior	Williamstown	150
Elmer Irwin	"	Philipsville	150
N. C. Wallace	"	Lindsay	200

Deductions.

F. W. Jacobs	Manager	Kerwood	Dismissed
W. S. Pogue	Junior	Lindsay	Resigned
Elmer C. Sparrow	"	Milton	"

The following credit was granted since last Board Meeting:—

James H. Stitt	Haileybury	Stocks at market of $5,000. Endorsement of Margaret J. Stitt and D. Brownlee.	$ 5,000

The General Manager read the following Inspection Reports of the following Branches:—

Belleville	March 29th, 1909,
Fingal	April 5th, "
Kerwood	March 26th, "
Lindsay	" 17th, "
Pontypool	April 6th, "
Sharbot Lake	" 2nd, "
Zephyr	" 12th, "

which were satisfactory to the Board.

Therebeing no further business the Board adjourned.

"JAMES MUNRO",
General Manager.

"W. R. TRAVERS",
General Manager.

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Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 19th of May, 1909, at one P.M., Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
ALLAN EATON.
W. G. SINCLAIR.
A. GROVES,
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were fully approved of.

The General Manager presented the Financial Statement of the Bank, showing the condition of the Bank to the 30th of April, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

Sydney P. Davies	Junior	Toronto	$ 200
J. R. Ernst	Manager	Allenford	500
W. A. Johnson	Teller	Arkona	350
H. S. Robertson	Junior	Sharbot Lake	150

Deductions.

G. T. Fitchett	Manager	Allenford	Resigned
O. R. Henry	Junior	Toronto	"
J. P. Hale	Manager	Pontypool	"

The General Manager read the Inspection Reports of the following Branches:—

Cheltenham	April	19th
Allenford	"	23rd
Millbank	"	28th
Pontypool (Casual)	"	26th
Bethany	"	29th
Embro	May	3rd
Lakeside	"	4th
Arkona	"	4th
Dashwood	"	8th
Burgessville	"	12th

which was satisfactory to the Board.

The question of building an office at Embro was discussed, and it was decided to leave the matter in the hands of the General Manager and do as he directed.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of Meeting of Directors of The Farmers Bank of Canada, held in the Board Room on Wednesday, the 23rd day of June, 1909, at one p.m., Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
ALLAN EATON.
W. G. SINCLAIR.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting which having been done were duly confirmed.

The General Manager presented the Financial Statement of the Bank, showing the condition of the Bank to the 31st of May, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff—

Additions.

William Binnie	Ledger Keeper	Toronto	$ 500
W. J. Buckler, Jr.	Junior	Fingal	150
R. E. Cugham	Clerk	Athens	600
R. M. Dennis	Discount Clerk	Toronto	500
Howard McGregor	Junior	Allenford	150
M. Staples	"	Pontypool	100
B. E. South	"	Cheltenham	200
M. A. Ruttan	Clerk	Toronto	700
Frederick H. Wood	Manager	Williamstown	800
W. R. Webster	Teller Accountant	Arkona	350

Deductions.

W. A. Baker	Accountant	Milton	Dismissed
E. H. Benson	"	Lindsay	"
Melvin Craven	Junior	Bethany	"
Sydney P. Davies	"	Toronto	Resigned
W. R. Robson	Ledger Keeper	"	"
Elwood Roberts	Manager	Bethany	Dismissed
William C. Simpson	Discount Clerk	Toronto	Resigned
N. C. Wallace	Junior	Lindsay	"

The General Manager read the Inspection Reports of the following Branches, which were duly confirmed, viz:—

May	May 17th
Stouffville	" 22nd
Athens (Casual)	June 5th
Camden East (Casual	" 10th
Williamstown	" 7th
Philipsville	" 4th

It was moved by Mr. Burdge Gunby, Seconded by Mr. W. G. Sinclair, and unanimously resolved that a dividend of 2%, being at the rate of 4% per annum for the six months ending June 30th, 1909, be declared and the same be payable on and after the 2nd of August, 1909. Transfer Books to be closed from the 1st to the 15th of July, 1909, inclusive, and that the General Manager is hereby authorized to publish the necessary notice therefor.

Moved, Seconded and unanimously carried, that the following stock be hereby cancelled:—

John Sunstrum	Ottawa	25	Shares
Murray Cornell	Springford	1	"
Margareth E. Galbraith	Denver, Col	1	"

Also that the following stock be hereby allotted:—

J. G. Fitzgibbon, In Trust	Toronto	25	Shares
J. J. McNally	Springford	1	"
L. C. Shattuck	"	1	"

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room on Wednesday, the 21st July, 1909, at 1 p.m., Col. Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement of the Bank, showing the condition of the Bank on the 30th of June, 1909, and a memo, of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

Ernest A. Abbott	Junior	Lindsay	$ 150
Stanley Hamilton	"	"	150
Donald Houston	Clerk	Toronto	500
H. S. Parker	Junior	Arkona	150
D. B. Spence	"	Athens	150
E. R. Siebert	"	Dashwood	150

Deductions.

P. R. B. Fosbrooke	Manager	Trenton	Resigned
R. R. Fraser	Junior	Cheltenham	"
George Harris	"	Lakeside	"
W. A. Johnson	Ledger Keeper	Arkona	"
John E. McKay	Teller	Athens	"
James E. Tanner	Ledger Keeper	Trenton	"
James C. Thomson	Teller	Lindsay	"
W. R. Webster	"	Arkona	"

Messrs. Gunby, Eaton and Sinclair reported having destroyed $200,000 of the Bank's mutilated circulation composed of the following denominations, viz:—

26,000	×	5	=	$ 130,000
5,500	×	10	=	55,000
500	×	25	=	12,500
50	×	50	=	2,500
				$200,000

the consummation of which was accomplished in the crematory of The Imperial Bank of Canada.

The General Manager reported that T. C. McConnell, a customer of our Spring Brook Branch was in financial difficulties, and was indebted to us to the extent of $9,000 secured by an assignment, under Section 88 B.A. of logs and lumber, which security is not likely to be sufficient to pay the debt, the unsatisfactory condition being caused by the negligence of former Manager Frayne at Trenton.

The General Manager reported that he had changed Spring Brook from a regular daily Branch into a Sub-Branch of Trenton with a service of two days a week.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS".
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board room, on Wednesday, the 18th day of August, 1909, at one p.m. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
A. GROVES,
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting which, having been done, were duly confirmed.

The General Manager presented the Financial Statement of the Bank, showing the condition of the Bank on July 31st, 1909, and a memo of important changes since the last Board Meeting.

The following changes in the Staff were reported:—

Additions.

Francis W. Bigelow	Bethany	Junior	$ 150
F. C. Foran	Toronto	Clerk	500
Alden R. Running	"	"	400
Norman Biddome	"	"	300
Arthur King	Milton	Junior	150
Howard McPherson	Burgessville	"	150

Deductions.

Wilbert M. Hough	Lindsay	Junior	Resigned
Frederick H. Wood	Williamstown	Manager	"
J. F. Kelly	Belleville	Accountant and Teller	"
A. Lankin	Embro	Junior	"
H. R. Laird	Trenton	Acting Manager	"
A. B. Sorley	Belleville	Manager	Dismissed
Donald H. Houston	Toronto	Clerk	Resigned

The General Manager reported that, owing to the withdrawal of business at Spring Brook he had closed it as a Sub-Branch.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of Meeting of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 15th day of September, 1909, at 1 p.m. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
W. G. SINCLAIR.
W. R. TRAVERS.

The General Manager read the Minutes of last Meeting, which having been done, were duly approved of.

The General Manager presented the Financial Statement showing the condition of the Bank on the 31st of August, 1909, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

A. H. Arnold	Accountant	Belleville	$ 500
O. M. Anderson	Junior	Camden East	150
L. Doherty	Clerk	Toronto	400
H. McPherson	Junior	Burgessville	150
A. E. Sloan	"	Zephyr	150
R. F. B. Watson	Clerk	Lindsay	500
J. H. Wilson	Junior	Zephyr	150

Deductions.

Stanley Hamilton	Junior	Lindsay	Dismissed
A. E. Kelly	Clerk	Milton	Resigned
J. F. Kelly	Accountant	Belleville	"
E. J. Landsborough	"	Milton	"
M. A. Ruttan	Manager	Trenton	"
C. G. Walker	Inspector		"

The General Manager reported that the following Credits had been granted since the last Board Meeting:—

William Ernest Knabe	$ 50,000
Estate Robert Noble	50,000

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office, on Wednesday, the 20th day of October, 1909. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the Bank to the 30th of September, and a memo of the important changes since last Board Meeting.

The General Manager reported the following changes in the Staff:—

Additions.

Charles W. Card	Junior	Trenton	$ 150
Robert E. Duffy	"	Toronto	300
W. A. Goodbourne	Clerk	Kerwood	350
Ernest Moore	Junior	Lindsay	100
J. A. Merrick	Accountant	Athens	400
Norris Sutton	Junior	Embro	200
Roy Weldon	"	Lindsay	150

Deductions.

R. G. Grieve	Manager	Millbank	Resigned
Charles R. Hill	"	Toronto	"
Harry C. Hunter	Clerk	Lindsay	"
H. L. Lancaster	Acting Manager	Belleville	Dismissed
R. F. B. Watson	Clerk	Lindsay	Resigned

The General Manager reported the following Renewal of Credit, granted since last Board Meeting:—

Elliott & South	Cheltenham	$ 5,000
J. S. Todd	Stouffville	10,000

also presented a request of William and Ernest Knabe for a further advance of $50,000 upon the security of W. J. Barnsdale's notes to that amount, endorsed by The Manhattan Securities Company. The advance was authorized.

Moved, Seconded and Carried, that the following Stock be hereby cancelled:—

William H. Conboy	Sharbot Lake	1	Share
B. F. Detler	Arden	10	"
S. M. Irish	Verona	2	"
Dr. J. McCarty	"	5	"
W. D. Persy	"	1	"
A. Trousdale	"	4	"
S. Walroth & Son	"	2	"
N. Wartelsky	Colebrook	4	"
Mrs. E. M. Geddes	Arden	1	"
Thomas Alderson	Drumguin	5	"
Thomas Elliott	Lowville	5	"
Bertram Smith	Sharbot Lake	2	"
		42	

also that the following Stock be hereby allotted:—

Joseph Fortier	Montreal	2 Shares

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of Meeting of Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office on Wednesday, the 17th day of November, 1909. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of last Meeting, which having been done, were duly confirmed.

The Financial Satement, showing the condition of the Bank on the 31st of October, 1909, and a memo. of the important changes since last Board Meeting, were read.

The following changes in the Staff were reported:—

Additions.

Gordon O. Brown	Junior	Norval	$150	
John A. Fox	Clerk	Haileybury	50	per month
Charles S. Yates	Junior	Williamstown	150	

Deductions.

A. H. Arnold	Teller	Belleville	Resigned
A. M. McBain	"	Williamstown	"
H. S. Parker	Junior	Arkona	"
Duncan C. Reid	Teller	Embro	"

The General Manager read the Inspector's Report on the Toronto Branch, which was satisfactory to the Board.

It was moved, seconded and unanimously resolved that in consequence of no payments being made and no prospects of collecting, the following subscriptions be and are hereby cancelled:—

W. R. Travers	116	Shares
J. G. Fitzgibbon	25	"

The above were transferred from Subscribers from whom we could not collect. The Manager at Lindsay Branch reports the following as worthless:—

F. D. Herlihy	1	Share
John Kennedy	1	"
H. L. Lancaster	1	"
J. E. Mansfield	1	"
James Simpson	5	"
R. S. Staples	1	"
	10	"

Conditional stock at Whitby:—

Thomas G. Colwell	1	Share
Joseph Heard	1	"
John Rice	3	"
W. J. A. Richardson	3	"
Joseph E. Sutcliffe	2	"
Dr. Frank Warren	1	"
	11	"

It was moved, seconded and unanimously carried that the above 162 Shares be duly cancelled and removed from the books.

Moved by Allan Eaton, seconded by W. G. Sinclair, and unanimously resolved, that a dividend of 2%, being at the rate of 4% per annum, for the six months ending the 31st of December, 1909, be declared, and the same be payable on and after the 3rd day of January, 1910.

Transfer Books to be closed from the 17th to 31st of December, 1909, inclusive, and the General Manager be and is hereby authorized to publish the necessary notice therefor.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room at the Head Office on Wednesday, the 15th day of December, 1909.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
A. GROVES.
ALLAN EATON.
W. G. SINCLAIR.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly confirmed.

The Financial Statement, showing the condition of the Bank on the 30th November, and a memo. of the important changes since last Board Meeting, were read.

The General Manager reported the following changes in the Staff:—

Additions.

J. H. McChesney.....Junior .....Arkona .....$ 150

It was moved and seconded and unanimously resolved that Mr. John F. Ford be elected a Director of this Bank in place of Lord Templeton who, having sold his stock, is disqualified to sit on the Board.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

The Third Annual Meeting of the Shareholders of The Farmers Bank of Canada was held on Wednesday, the 19th day of January, 1910, in the Board Room of the Bank.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
JOHN F. FORD.
BURDGE GUNBY.
WILLIAM H. HUNTER.
JAMES LOGIE.
JOHN T. MITCHELL.
WILLIAM BEATTIE NESBITT.
WILLIAM G. SINCLAIR.
WILLIAM L. SYMONS.

Moved by Dr. Nesbitt, seconded by Burdge Gunby, that the President take the chair, the General Manager act as Secretary, and that W. H. Hunter and W. L. Symons be appointed Scrutineers.—*Carried.*

Moved by Allan Eaton, seconded by W. G. Sinclair, that the Minutes of last Meeting be taken as read.—*Carried.*

The President called upon the Secretary to read the Annual Report, whereupon the Secretary read the Report of the Directors for the year 1909 as follows: See page 406.

Moved by Col. Munro, seconded by Burdge Gunby, that the report be adopted. —*Carried.*

Moved by James Logie, seconded by John F. Ford, that Mr. Burdge Gunby cast one ballot for the election of seven Directors.—*Carried.*

The Scrutineers presented the following Report:—

Toronto, January 19th, 1910.

W. R. TRAVERS, ESQ.,

General Manager.

Sir,—We, the undersigned Scrutineers, appointed at the General Meeting of the Shareholders of The Farmers Bank of Canada, held this day, hereby declare the following gentlemen duly elected Directors:—

JAMES MUNRO.
ALLAN EATON.
BURDGE GUNBY.
W. G. SINCLAIR.
A. GROVES.
JOHN F. FORD.
W. R. TRAVERS.

Declared elected,

(Sgd.) W. H. HUNTER.
W. L. SYMONS.

Moved by Dr. Nesbitt, seconded by W. L. Symons, That a unanimous vote of thanks be tendered by the Shareholders to the Directors, for the manner in which they have cared for the interests of the Bank during the year.—*Carried.*

Moved by W. H. Hunter, seconded by W. L. Symons, That a special vote of thanks be tendered to the General Manager, W. R. Travers, for his care, oversight, and interest in handling the affairs of the Bank during the past three year.—*Carried.*

Moved by Dr. Nesbitt, seconded by W. H. Hunter, the Meeting be now adjourned.

President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held immediately after the Annual Meeting of the Shareholders on Wednesday, the 19th day of January, 1910.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
ALLAN EATON.
A. GROVES.
W. G. SINCLAIR.
J. F. FORD.
W. R. TRAVERS.

It was moved and seconded and unanimously resolved that James Munro be elected President, and W. R. Travers be elected Vice-President and General Manager.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done were duly approved.

The Board accepted the Statement as read at the Annual Meeting as the financial condition of the Bank. The Board also discussed the claim of The Peoples Mutual Life Association & League under an alleged receipt, and was of opinion that the Bank is not liable on the claim.

The following changes in the Staff were reported:—

Deductions.

L. Doherty	Clerk	Haileybury	Resigned
J. H. Wilson	Junior	Zephyr	Did not give satisfaction, was dismissed from service

The General Manager reported the following credits had been received since the last Board Meeting:—

Clyde Forks Lumber Co	Sharbot Lake	$10,000

There being no further business, the Meeting adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of a Special Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room on the 24th day of January, 1910. Col. James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
A. GROVES.
W. G. SINCLAIR.
ALLAN EATON.
BURDGE GUNBY.
J. F. FORD.
W. R. TRAVERS.

Moved by Dr. A. Groves, seconded by W. G. Sinclair, that the Board having further inquired into the circumstances under which an alleged deposit receipt for $150,000, purporting to be dated the 20th of December, 1909, was obtained, considers that the Bank is under no liability in respect thereof, and directs that any attempt to enforce payment thereof be resisted.—*Carried.*

Moved by W. R. Travers, seconded by James Munro, that the Board authorizes and instructs Messrs. Watson, Smoke, Chisholm and Smith to act as solicitors and counsel for The Farmers Bank of Canada, in connection with and in any matter of proceedings or actions arising out of an alleged deposit receipt referred to in a prior resolution passed this day by the Bank in conjunction with Mr. Hunter, the regular Solicitor of the Bank.—*Carried.*

The Meeting then adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 16th day of February, 1910, Col. James Munro, President, in the Chair.

The following Directors were present:—

Col. James Munro.
A. Groves.
W. G. Sinclair.
Allan Eaton.
Burdge Gunby.
J. F. Ford.
W. R. Travers.

The President called upon the General Manager to read the minutes of the last Board Meeting and the Special Meeting of the 24th of January, which having been done, were duly approved of.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank as on the 31st day of January, and a memo of the important changes since last Board Meeting.

The following changes in the Staff were reported:—

Additions.

Frederick Borland	Junior	Lakeside	$ 150
Ira R. Wade	"	Allenford	150

Deductions.

Charles H. Day	Manager	Haileybury	Resigned
H. S. White	Ledger Keeper	Toronto	"
William Binnie	"	"	"
Robert E. Duffy	Junior	"	"

The General Manager reported that the following Credit had been granted since last Board Meeting.

G. A. Turner	$5,000	Personal guarantee of William McKenzie

The General Manager reported increases in Salaries allowed the various members of the Staff on the usual yearly revision, for list, see page 406.

It was moved and Seconded and unanimously resolved that in consequence of no payments having been made and no prospects of collecting, the following subscriptions be, and are hereby cancelled, as per List, see Page 406.

There being no further business, the Board adjourned.

"James Munro",
President.

"W. R. Travers",
General Manager.

SESSIONAL PAPER No. 153a

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 16th day of March, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank on the 28th day of February, 1910, and a memo. of important changes since last Board Meeting.

The following changes in the Staff were reported:—

Deductions.

Chas. P. McCulley	Acct. & Teller	Haileybury	Resigned
A. D. McKee	"	Stouffville	"

It was moved and seconded and unanimously resolved that in consequence of no payments having been made, and no prospects of being able to collect anything thereon, the following subscriptions be, and are hereby cancelled:

James B. Long	Anten Mills	1	Share
Leo O'Neill	Hillsdale	1	"
F. Dettman	Kinmount	3	"
George Dettman	"	3	"
J. J. Doherty	"	1	"
George Train	"	1	"
William Watson	"	1	"

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 20th day of April, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
A. GROVES.
J. F. FORD.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting which, having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank on the 31st of March, 1910, and a memo. of important changes since last Board Meeting.

The following changes in the Staff were reported:—

Additions.

Robert W. Smith	Kerwood	Junior	$ 150
William M. Fink	Millbank	"	150

Deductions.

Robert W. Smith	Kerwood	Junior	Guarantee Co. refused to bond
Gordon O. Brown	Norval		Resigned.

The General Manager read the Inspection Reports on the following Branches, viz:—

Fingal
Kerwood
Millbank

which were satisfactory to the Board.

Messrs. Gunby, Eaton and Sinclair reported having destroyed $125,000 of the Bank's mutilated circulation composed of the following denomiations, viz:—

13,000	×	5	=	$65,000
2,000	×	10	=	20,000
400	×	25	=	10,000
300	×	100	=	30,000
				$125,000

the consummation of which was accomplished in the crematory of The Imperial Bank of Canada.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of Farmers' of Canada, held in the Board Room, on Wednesday, the 18th day of May, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
W. G. SINCLAIR.
ALLAN EATON.
A. GROVES.
J. F. FORD.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which, having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank as on the 30th day of April, and a memo. of important changes sinces the last Board Meeting.

The following changes in the Staff were reported:—

Additions.

Robert E. Fox	Acting Manager	Norval	$ 800
Samuel T. Miller	Junior	Athens	150
Edwin J. Lockwood	Dashwood	Junior	150
Leon E. Kellerman	Junior	Dashwood	150
Ellerby G. Farr	Junior	Lindsay	200

Deductions.

J. B. Crozier	Rec. Teller	Toronto	Resigned
W. A. Goodbourne	Teller	Kerwood	"
William Cook	Manager	Williamtown	"

The following credits were reported as being granted since last Board Meeting:—

John Tevis $15,000

It was moved by Burdge Gunby, and seconded by J. F. Ford, and unanimously resolved that a Dividend of 2% being at the rate of 4% per annum for the six months ending the 30th June, 1910, be declared and the same be payable on and after the 4th day of July, 1910. The Transfer Books to be closed from the 16th to the 30th June, 1910, inclusive, and the General Manager be, and is hereby authorized to publish the necessary notice thereof.

The General Manager read the Inspection Reports of the following Branches:—

Burgesville	April	7th
Arkona	"	13th
Embro	"	19th
Lakeside	"	20th
Camden East	"	26th
Allenford	"	27th
Athens	"	30th
Dashwood	May	2nd
Philipsville	"	4th
Williamstown	"	9th

which were duly confirmed.

It was moved and seconded and unanimously resolved that the following Stock be cancelled.

Joseph Walker, Deceased Niagara-on-the-Lake 2 Shares

it having been arranged between our Solicitor and the Solicitor for his estate that this should be done and that all payments made upon said Sotck be forfeited to the Bank.

There being no further business, the Board adjourned.

"JAMES MUNRO",

President.

"W. R. TRAVERS",

General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Ban'k of Canada, held in the Board Room, on Wednesday, the 15th day of June, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

Col. James Munro.
Burdge Gunby.
W. G. Sinclair.
Allan Eaton.
J. F. Ford.
W. R. Travers.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank on the 31st day of May, 1910, and a memorandum of all important changes since the last Board Meeting.

The following changes in the Staff were reported:—

Additions.

L. H. Ludy	Rec. Teller	Toronto	$ 600
G. R. Mullin	Junior	Norval	150
Richard J. Foster	"	Kerwood	150

Deductions.

C. E. Jaques	Teller	Stouffville	Resigned
A. N. Denyes	Accountant	Lindsay	"
J. R. Wade	Junior	Kerwood	"

The General Manager read the Inspection Reports of the following Branches:—

Bethany
Lindsay
Zephyr
Cheltenham
Norval

which were satisfactory to the Board.

There being no further business, the Board adjourned.

" James Munro ",
President.

" W. R. Travers ",
General Manager.

SESSIONAL PAPER No. 153a

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 20th day of July, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

Col. James Munro.
Burdge Gunby.
W. C. Sinclair.
Allan Eaton.
A. Groves.
J. F. Ford.
W. R. Travers.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank as on the 30th June, 1910, and a memorandum of important changes since the last Board Meeting.

The following changes in the Staff were reported:—

Additions.

A. F. Schultz	Clerk	Toronto	$ 700
L. F. Black	Rec. Teller	"	600
Wm. H. M. Jones	Clerk	Haileybury	400
John P. McLeod	Junior	Toronto	300
Frank A. Ramshaw	"	Milton	150
Earl J. Kaiser	"	Dashwood	150
Fred J. Smith	"	Athens	150
R. W. Thurston	"	Dunsford	150

Deductions.

C. S. McDonald	Manager	Norval	Deceased
C. H. McIntosh	"	Burgessville	Resigned
A. B. McGill	"	Lindsay	"
J. J. Flurey	Clerk	"	"
L. S. Farr	"	"	"
J. L. Coulter	"	"	"
E. G. Farr	"	"	"
G. Sherrington	"	Zephyr	"
S. T. Miller	Junior	Athens	"

There being no further business, the Board adjourned.

"James Munro",
President.

"W. R. Travers",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room on Wednesday, August 17th, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
ALLAN EATON.
W. G. SINCLAIR.
A. GROVES.
J. F. FORD.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank on the 31st of July, 1910, and a memorandum of important changes since last Board Meeting.

Moved and Seconded and unanimously carried that in the absence of the President, Vice-President, or General Manager, Mr. J. G. FitzGibbon, Chief Inspector and A. R. Shaver, Asst. Chief Accountant, are hereby authorized to sign, Pro. General Manager and Pro. Chief Accountant respectively on any Government Statements required.

The General Manager reported having on the advice of Counsel laid information at Lindsay against A. B. McGill, J. J. Flurey and J. L. Coulter, formerly officers of the Bank, for conspiracy to injure the Bank's financial standing resulting in a committment by the Magistrate for trial, which action is approved of by the Board.

The following changes in the Staff were reported:—

Additions.

Frank A. Glover	Junior	Arkona	$ 150

Deductions.

John P. McLeod	Junior	Toronto	Resigned
E. M. Doull	Manager	Arkona	

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers' Bank of Canada, held in the Board Room, on Wednesday, the 21st day of September, 1910, Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
W. G. SINCLAIR.
ALLAN EATON.
J. F. FORD.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank as on the 31st day of August, 1910, and a memorandum of important changes since last Board Meeting.

The following changes in the Staff were reported:—

Additions.

P. H. Hendershot	Manager	Burgessville	$ 700
Harold R. Anderson	Clerk	Athens	350
F. C. Watkins	"	Toronto	300
B. R. Modeland	"	Belleville	150
Leslie Goetz	"	Dashwood	150
Gordon Goetz	"	Stouffville	150
Overton B. McLeod	"	Allenford	150
Clarence Jones	"	Lakeside	150
Wilfred Harman	"	Zephyr	150

Deductions.

A. C. McBride	Manager	Milton	Resigned
R. E. Cughan	"	Athens	Dismissed
M. F. Forest	Clerk	"	"
D. B. Spence	"	"	"

The Inspection of Sharbot Lake under date of the 31st of August, was read to the Board and considered by them satisfactory.

The following Credits were authorized:—

J. S. Todd	Stouffville	$ 10,000

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.

"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 19th day of October, 1910. Colonel James Munro, President, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
BURDGE GUNBY.
W. G. SINCLAIR.
ALLAN EATON.
DR. A. GROVES.
J. F. FORD.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Meeting, which having been done, were duly confirmed.

The General Manager presented the Financial Statement showing the condition of the affairs of the Bank upon the 30th day of September, 1910, and a memorandum of important changes since last Board Meeting.

The following changes in the Staff were reported:—

Additions.

J. E. Parks	Manager	Belleville	$ 600
O. E. Callighen	Clerk	Arkona	300

Deductions.

J. A. Merrick	Clerk	Toronto	Resigned
Frank R. Glover	Junior	Arkona	"

The following Credits were authorized:—

West Zorra Township A/c	Embro	$10,000
J. M. Archibald & Co.	"	9,000

The Inspection Reports of the following Branches were read to the Board and considered by them satisfactory:—

Stouffville
Belleville
Milton

It was moved by W. G. Sinclair and seconded by J. F. Ford that whereas no payments have been made upon the subscription of 3,850 shares of the Capital Stock of the Bank by Melville D. Chapman, Trustee, notwithstanding that calls were made upon him at various times and that our Attorney in New York used his utmost endeavors to obtain payments, and the said Melville D. Chapman having made an assignment for the benefit of his creditors, the said 3,850 shares be, and are hereby cancelled, under the provision of Section 40 of the Bank Act, and that claim for damage be made against Chapman's Estate for the difference as between the subscription price $130 and the par value $100 equalling $115,500 and in addition to that, 10% fine in accordance with Section 41 of the Bank Act, in all $154,000 or any such sum as the New York Attorney may deem advisable to make a claim for, leaving any settlement, if offers should be made, to his discretion.

Carried.

It was moved by Allan Eaton and seconded by Burdge Gunby and unanimously resolved that Mr. James G. FitzGibbon, Chief Inspector is hereby designated the "other principal officer" of the Bank at Toronto, Ontario, the chief place of business of the Bank, within the meaning of and for the purposes of Section 112 of the Bank Act, and in the absence of the General Manager, shall, when necessary sign the return called for by that section.

It was moved by Dr. A. Groves and seconded by W. G. Sinclair and unanimously resolved that Mr. Arthur R. Shaver, Assistant Chief Accountant of the Bank, be and is hereby appointed Acting Chief Accountant of the Bank with the duties incident to the office of Chief Accountant, during absence through illness, or other cause of J. G. FitzGibbon, the Chief Accountant.

The General Manager reported to the Board that he had contracted to build a small banking office in the village of Dashwood, having purchased the best corner lot for $495 and the building to cost less than $3,000, our present premises being part of a dwelling house, small and poorly situated and generally rumored that we were going to withdraw from Dashwood.

The General Manager also reported that he had leased the Trenton premises to The Standard Bank of Canada, for two years for a rental of $500 per annum, with the privilege of purchasing during the currency of the lease.

There being no further business, the Board adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of a Special Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room, on Wednesday, the 2nd day of November, 1910, the President, Colonel James Munro, in the Chair.

The following Directors were present:—

COL. JAMES MUNRO.
ALLAN EATON.
W. G. SINCLAIR.
BURDGE GUNBY.
J. F. FORD.
W. R. TRAVERS.

Moved by W. G. Sinclair and seconded by Allan Eaton and unanimously resolved—

"Resolved that the General Manager of this Bank is hereby authorized from time to time to effect loans and advances on behalf of this Bank, from such Bank or Trust Company in New York or Canada as to the General Manager may seem expedient, the proceeds of such loans or advances to be credited or paid to or for the benefit of this Bank and for such loans or advances to make, execute and deliver the promissory notes and agreements of this Bank, and if required by the loaning Bank or Trust Company to transfer and pledge, or deposit as collateral security for such loans, and for other liabilities of this Bank, any of the customers' or other Promissory Notes, Bonds, Stocks, Bills Receivable, or other securities or property of this Bank, upon such terms as to lien upon, resort to, and application of such collateral and its proceeds as may be satisfactory to the lending Bank or Trust Company, and that such officer is authorized in lieu of or in addition to effecting and securing loans and advances as aforesaid to procure from time to time, to be re-discounted by such Bank or Trust Company for this Bank any of the Customers' Promissory Notes, Bills Receivable or other securities held by this Bank upon such terms as to collateral security and otherwise as may be satisfactory to the said Bank or Trust Company, and for any of such purposes, the General Manager may endorse or guarantee the payment of, or transfer, or deposit any of such securities, and if required, may use or affix the Seal of this Bank for the purposes of any loan or re-discount from time to time, and all such authority to the General Manager shall extend and apply to future as well as present securities and assets of this Bank, and the past acts of the General Manager in borrowing from The Trusts and Guarantee Company and giving an agreement under the Seal of the Bank to repay the advances, and in transferring securities to and depositing moneys and securities with The Trusts and Guarantee Company, Limited, were according and pursuant to his authority and are hereby ratified and confirmed.—*Carried.*

There being no further business, the Meeting then adjourned.

"JAMES MUNRO",
President.
"W. R. TRAVERS",
General Manager.

Minutes of the Meeting of the Board of Directors of The Farmers Bank of Canada, held in the Board Room on Wednesday, the 16th day of November. Colonel Munro, President, in the Chair.

The following Directors were present:—

COLONEL JAMES MUNRO.
W. G. SINCLAIR.
ALLAN EATON.
J. F. FORD.
BURDGE GUNBY.
A. GROVES.
W. R. TRAVERS.

The President called upon the General Manager to read the Minutes of the last Board Meeting and the Special Meeting of the 2nd day of November, which having been done, were duly confirmed.

The General Manager presented the Financial Statement, showing the condition of the affairs of the Bank as on the 31st day of October, 1910, and a memo. of important changes since the last Board Meeting.

The following changes in the Staff were reported:—

Additions.

L. E. Doherty	Clerk	Toronto	$ 600

Deductions.

H. M. Mackenzie	Manager	Milton	Resigned
W. W. Borrowman	Pay-Teller	Toronto	"
R. Hadden	Clerk	Lindsay	"
F. C. Foran	Acting Manager	Kinmount	Dismissed

Renewals for the following Credits were authorized:—

Elliott & South	Cheltenham	$ 5,000
H. J. Thomson	Sharbot Lake	5,000

The General Manager read the Inspection Reports of the following Branches to the Board, which were considered satisfactory:—

Pontypool	October 17th
Kinmount	" 20th
Kerwood	" 27th
Burgessville	November 1st
Fingal	" 4th
Philipsville	" 10th

The General Manager reported that he had used the Seal on notes given to The Trusts and Guarantee Company for advances, and also on the Lease given to The Standard Bank of Canada for the premises at Trenton.

It was moved by Allan Eaton and seconded by Dr. A. Groves and unanimously resolved that a dividend of two per cent. on the fully paid-up Capital Stock of the Bank, being at the rate of four per cent. per annum for the six months ending the 31st of December, 1910, be and is hereby declared, and same be payable on and after the 3rd day of January, 1911. The transfer books to be closed from the 17th to the 31st of December inclusive, and the General Manager be and is hereby authorized to publish the necessary notices therefor.

There being no further business, the Board adjourned.

President.

General Manager.

SESSIONAL PAPER No. 153a

REPORT OF THE DIRECTORS.

The Directors have pleasure in submitting to the shareholders the second annual report, showing the result of the Bank's business to the 31st of December, 1908, together with Balance Sheet of the Bank on that date, viz.:—

To Dividend No. 1 for 6 months ending June 31st, 1908	$8,420.00	By Balance carried forward from last year	$22,089.99
To Dividend No. 2 for 6 months ending December 31st, 1908 (payable Feb. 1st, 1909)	10,924.00	By Premium on Stock	5,024.10
To Balance carried forward to next year	28,794.36	By Net Ppofits for year after deducting cost of management, etc.	21,024.27
	$48,138.36		$48,138.36

During the year Branches of the Bank were opened at the following places:

Arkona, Brucefield, Dashwood, Lakeside, Lindsay, Millbank, Embro, Philipsville, Spring Brook.

And the following Branches and Sub-Branches were closed:—

Hawkestone, Hillsdale, New Toronto, Stayner, Springford, Wallacetown, North Claremont, Beachville, Udora, Craighurst, New Lowell, Palermo and Shannonville.

Your Directors regret to have to report the loss of one of their valuable colleagues in the person of Robert Noble, Esq., who died on September 28th, 1908, and a vacancy was created by the resignation of R. E. Menzie, Esq.

All the Branches of the Bank, including Head-Office, have been duly inspected.

All of which is respectfully submitted.

"JAMES MUNRO", *President.*

REPORT OF THE DIRECTORS.

The Directors have pleasure in submitting to the shareholders the first Annual Report, showing the result of the Bank's business for the year ending 31st December, 1907, together with the Balance Sheet of the Bank on that date:

To Balance carried forward to next year	$22,089.99	By Premium on New Stock	$ 7,739.40
		Net Profits for year, after deducting cost of managment, etc.	14,350.59
	$22,089.99		$22,089.99

The Bank received its license on the 30th November ,1906, and opened the Head Office Branch on the 2nd of January, 1907. During the year Branches have been opened at the following points:—Athens, Belleville, Bethany, Burgessville, Brucefield, Camden East, Cheltenham, Fingal, Hawkestone, Hillsdale, Kerwood, Kinmount, Milton, New Toronto, North Claremont, Norval, Pontypool, Sharbot Lake, Southampton, Springford, Stayner, Stouffville, Trenton, Wallacetown, Williamstown, Zephyr, and sub-branches at Dunsford, Janetville, Nestleton, Beachville, Craighurst, Palermo, Allenford, New Lowell, Springbrook, Brown Hill.

Owing to delay in commencing business, caused by the circulation not being ready, it would have been impossible to close a year's business on the date set by by-law for the Annual Meeting, viz., November 26th, and your Directors, therefore, deemed it advisable to pass a by-law changing the date to the third Wednesday in February, viz.:—

"By-law No. 2 of The Farmers Bank of Canada is hereby amended by striking out the words, 'the fourth Monday in November in each year, beginning with the year 1906', and substituting therefor the words, 'the third Wednesday in February in each year, beginning with the year 1908.'"

Moved by W. H. Hunter, seconded by W. L. Symons, that the said by-law be and is hereby confirmed.

Moved in amendment by Burdge Gunby, and seconded by W. G. Sinclair, that the third Wednesday in January be substituted for February.—*Amendment Carried.*

Satisfactory arrangements were made with the following Banks as correspondents:—London, Eng., The London & Westminster Bank, Limited; Glasgow and Edinburgh, The National Bank of Scotland; New York, The Merchants National Bank; Chicago, Ill., The Corn Exchange National Bank; Detroit, Mich., The Old Detroit National Bank; Buffalo, N.Y., The Third National Bank; Pittsburg, Pa., The Second National Bank; Paris, Brussels, St. Petersburg, Moscow, Credit Lyonnais and Branches; Berlin and Germany, Berliner Handels-Gesellschaft, thereby enabling this Bank to handle any business that might be offered in these various countries.

Your Directors deemed it advisable to increase the number of Directors during the year, as provided by by-law and by resolution. The Rt. Hon. Viscount Templeton, London, Eng., and Mr. R. E. Menzie, Toronto, were added to the Board.

All the Branches, including the Head Office, have been duly inspected.

The officers of the Bank perform their respective duties to the satisfaction of the Board.

All of which is respectfully submitted.

W. Beattie Nesbitt,
President.

THE FARMERS BANK OF CANADA.

General Statement for the Year Ending December 31st, 1907.

LIABILITIES.

Notes in Circulation		$247,105.00	
Deposits bearing Interest	$457,884.80		
Deposits not bearing Interest	189,712.08		
		647,596.88	
Balances due to other Banks		414.25	
Capital Stock paid up		445,060.00	
Interest accrued on Deposit Receipts		175.87	
Balance of Profit and Loss Account carried forward		22,089.99	
			$1,362,441.99

ASSETS.

Specie on hand	$6,314.28		
Dominion Notes on hand	69,673.25		
		75,987.53	
Notes and Cheques of other Banks		91,562.72	
Balances due from other Banks		142,201.49	
Balances due from Agents in Great Britain		23,433.48	
Balances due from Foreign Agents		43,437.88	
Deposit with Trust & Guarantee Co.		25,000.00	
Government, Municipal, Railway and other Stocks and Bonds		86,794.10	
Call and Short Loans on Stocks and Bonds		154,556.25	
Total available Assets			642,973.45
Current Loans and Bills Discounted		554,893.08	
Overdue Debts (estimated loss provided for)		16,011.77	
			570,904.85
Bank Premises (including Safes, etc,)			115,397.69
Deposit with Dominion Government for security of Note Circulation			15,000.00
Other Assets not included above			18,166.00
			$1,362,441.99

"W. R. Travers",
General Manager.

SESSIONAL PAPER No. 153a

ADDRESS OF THE PRESIDENT.

The President said:—

Ladies and Gentlemen:—

We have presented the Report of the Directors for the past year, and before moving its adoption I might say a few words to you in connection with the affairs of the Bank. I am quite satisfied that, considering the difficulties in the organization of the Bank, and all we have had to contend with, the shareholders should be well satisfied with its condition to-day. We have not made a large amount of profits, it is true, but we have placed the Bank in an absolutely safe condition, and it has been kept that way all through the year. When you look at the statement you see that we have there some $647,000 of deposits. We could have made our available assets larger than deposits by adding the $15,000 now at our credit with the Government as security for our note circulation, but as this is only an available asset under certain conditions, we thought it more proper not to include it under that heading. How many Banks were in that position at the end of the year? The number of Branches, as you have been informed by the Board, is 27, and 11 sub-branches. These Branches, as you are aware, are all practically in rural districts, with one or two exceptions. We did not come into competition with any of the other Banks, and in every case we have shareholders in and around the districts. Our different Branches have been very successful for the time they have been in the field. Business is done with the farmers rather than with the manufacturers, and in establishing our Branches, we have done, all through the rural districts, we reach practically the class of people that we endeavored to.

The expenses of organizing and opening a new Bank are, of course, very heavy. It does not matter what class of business you engage in, you have first to secure the premises and put them in shape. It is the same with a bank. That expense has all got to be gone into, and it has all occurred during the past year. Your Directors do not expect during the coming year to open any more new Branches at all, unless one or two places may present themselves in which the opportunities of doing business are so large that they would feel that it was in the interests of the Bank to include them. When you take into consideration the fact, as I said before, of the difficulties of the organization of your Bank and the organization expenses, there can be no doubt whatever that we have made a very satisfactory showing. Our profits were such that we could have paid a small dividend, but your Directors considered that in the organization of the Bank for the first year it was better to go safely, and for that reason they passed the dividend for the first year. However, with the Branches we have opened during the year and the prospects for business ahead, there is a feeling on the part of the Board that they will be able to commence payment of a dividend in the coming April, which would be the first quarter of the current year.

The business of the country generally this year has been very backward. You know that the spring opened very late and very cold; the dairies did very little business in consequence; the summer was dry and hot, with very poor pasturage, to such an extent that many of the farmers had to sacrifice their cattle, owing to the scarcity of feed, for any price they could get. This, followed by the advance in the prices of grain, kept them from marketing in the expectation of further increases. The Banks suffered on account of this by not accumulating the same amount of deposits that they would in ordinary years. Owing to the shrinkage in business, falling off of circulation naturally followed, and, as you know, one of the chief opportunities a Bank has of making money is by the use of its circulation. If you take up the Government Reports you will find that nearly all the Banks that have been doing business during the past year were up to their limit in circulation during the early part of the year, and as the circulation is

equivalent to the paid-up capital, it amounts to a large sum of money upon which no interest is paid but which is carried.

The Directors of your Bank have been very careful and attentive to their duties. They have attended all meetings, and have looked carefully after the interests of the Bank and shareholders. The cost of conducting the business of the Bank is very small, compared with other similar institutions, and I am sure that the Directors should be complimented upon the work they have done. It was only by safe, conservative methods that a Bank could be opened and kept open in a sound condition, and I am satisfied it could not be done better by any other Bank Manager in Canada. Every Bank in business for a number of years must of necessity accumulate bad debts. A new Bank has none of these, and you have a report of the condition of your affairs on the first of the year, which tells you exactly what the position of the Bank is. That condition, as I said before, is due to the efforts of your General Manager and your Directors.

I beg, therefore, ladies and gentlemen, to move the adoption of the report.

NEW PRESIDENT ELECTED.

The President said:—

I may say, ladies and gentlemen, that I came into the organization of The Farmers Bank at the time The Ontario Bank failed, and when an action was taken by some shareholders which threatened the complete disorganization of the Bank. At the request of Mr. Travers, I took the Presidency on that occasion, because I felt then, as I have felt ever since, that for a winding-up proceeding to be instituted against the Bank meant in the first place that the shareholders would have to pay the amount of their stock into court, and, in the second place, a large amount of money would be eaten up by lawyers and others in costs, to the very great detriment and injury to all those who had subscribed for stock, including myself. That being the case, I told Mr. Travers at the time that I was satisfied to take the Presidency of the Bank for a year. I have kept the position of President for a year; the Bank has been successful, and you are now in good shape to go ahead. I have personally other interests which I have got to consider, and therefore, I may say to you that I will not stand for re-election.

GENERAL MANAGER'S STATEMENT.

The General Manager, Mr. W. R. Travers, in answer to some questions, and for the general information of the Shareholders, spoke as follows:—

Mr. President and Shareholders:—

You have seen the Report presented of the position of the Bank, and I have no doubt that you feel fully satisfied that, considering the business conditions, the affairs of the Bank have been carried on in a way that will meet with your approbation. There are some details, however, that I might call to your attention. The deposits of the Bank are well scattered, and are composed of no less than 516 business accounts and 2,754 Savings Bank accounts, the former avering $195 each, and the latter $164 each. This seems to be a far more satisfactory state of affairs than to have a few accounts with larger balances. Our deposits show a steady growth. We closed the first month of our existence on January, 1907, with $57,000 on deposit, and the deposits increased month by month at the rate of $22,000 to $70,000, or an average monthly increase of $51,600. Had the usual average condition of affairs existed with an early spring, good pasturage, plenty of milk moving to the dairies and cheese factories, a favorable summer for stock raising, and the usual delivery of grain in the fall, the circulation of money would

have been greater and our deposits would have shown larger figures. Under the circumstances which have prevailed, I believe that the Bank has done remarkably well, and that there is no cause for complaint. We have 6,336 shares of stock subscribed, represented by 852 shareholders, of which 374, or 40 per cent., are farmers. It is of the greatest assistance to the Bank in the obtaining of business to have numerous shareholders among the farmers in the vicinity of our Branches.

About a year ago the Bank complied with the conditions of The Canadian Bankers' Association and The Toronto Clearing House, and became a member of both. We find the latter a convenient and speedy method of receiving our obligations and depositing notes, cheques, etc., of other Banks, settling the balances every day. The Bank is clearing over $5,000,000 yearly, which seems a good beginning for a young institution.

Owing to the uneasy conditions in the financial world, in common with other banks and financial institutions and manufacturing concerns, we have taken the conservative view that we should strengthen our reserves so as to place the Bank in a position of absolute security. This has, to some extent, prevented us from making the larger profits that, with a more liberal policy, might have been done, but I feel that, under present business conditions, the policy of caution will in the end tend to the strengthening of the Bank, and my aim shall be always to have the money of our depositors and shareholders absolutely safe. It is not my intention to open many new Branches this year, yet, where I can see that there is a rural district without reasonable banking facilities, and that business is there awaiting us, I shall be always ready to accommodate that section with a Branch.

Before closing my remarks, I would like to make some reference to the business conditions in Canada. That there is a time of depression on cannot be denied. As the shareholders know, The Farmers Bank is essentially an institution dealing with the rural community. In Ontario last year, as well as in the other Provinces, crops were not all as as good as we expected, but I would like to point out one thing, particularly where the farmers of this Province have benefited, that there never was a year, possibly, in which the prices of everything produced on the farm have been higher than during the past year. The result has been that Ontario farmers have received financial results practically equal to what they had realized in previous years. There is a falling off this year, I note in the exports of butter and cheese. In the previous year these exports combined reached $26,000,000, while in 1907 they totalled only $20,000,000. The loss appears to have been mainly in butter, but in explanation of this, it must be noted that there was a shortage in the make due to bad pasturage, and in the export because of a larger consumption at home.

Referring to the general business situation, I can see no reason why conditions should not improve. Money is getting cheaper, there seems to be more disposition on the part of capitalists to utilize their funds, and for my part I feel very optimistic as to the future. There are development works going on in Canada at the present time that cannot but carry this country on for years to come. There is capital available for legitimate enterprises. English capitalists are seeking investments in this country, and the opportunity offered by recent extensions in electrical railways running through the Province are bound to attract investors. It is my opinion that the Province of Ontario is going to be what I might call gridironed with electrical railways. With the policy of the Government, I have nothing to do, but it is evident that with the electrical development going on in this Province there will be new Branches of business opened, and that The Farmers Bank, dealing with the rural community, will be in a splendid position to handle the new and expanding business that is undoubtedly going to be created.

Toronto, January 23rd, 1907.

The following stock was duly allotted:—

NAME	ADDRESS	SHARES	AMOUNT
MacPherson, William	Williamstown	2 shares	$200.00
Sheppherd, Martin W.	"	"	200.00
Kennedy, J. A.	"	2 "	200.00
Robinson, E. J., M.D.	"	1 "	100.00
Joubert, Fred. E.	"	1 "	100.00
Brown, J. Clark	"	1 "	100.00
Brown, George F.	"	2 "	200.00
McLennan, J. A. B.	"	1 "	100.00
MacGillis, Angus	"	2 "	200.00
McDonald, James	"	5 "	500.00
Burgess, John	"	1 "	100.00
Duemo, Edward	"	1 "	100.00
McBain, Andrew R.	"	1 "	100.00
Black, James	"	1 "	100.00
Hennan, Thomas	"	1 "	100.00
Edgerton, William	"	2 "	200.00
McLennan, Murdock J.	"	2 "	200.00
Latreille, Napoleon	Lancaster	3 "	300.00
Laubor, Maurice	Williamstown	1 "	100.00
McLennan, John P.	Glenbrook	3 "	300.00
Lauder, Alex. N.	Williamstown	2 "	200.00
McNaughton, James	"	2 "	200.00
Urquhart, William J.	"	1 "	100.00
Finkle, William G.	Cornwall	1 "	100.00
McGregor, Alpin	Williamstown	5 "	500.00
MacDonald, A. R.	Glenbrook	1 "	100.00
Ross, Alexander	Williamstown	1 "	100.00
Rolph, Frank A.	Toronto	10 "	1000.00
Jacob, Vise	"	50 "	5000.00
Wylie, Thomas H.	"	100 "	10000.00
Stewart, James	+	10 "	1000.00
Hamill, Wm. Edward	"	50 "	5000.00
MacDonald, Alex., Jr.	Golspie	1 "	100.00
U. S. Fidelity & Guarantee Co	Baltimore Md.	25 "	2500.00
Bowley, James	Strathroy Ont.	10 "	1000.00
Brock, Albert J.	Adelaide "	5 "	500.00
Cook, Joseph	Watford "	3 "	300.00
Denning, John Henry	Kerrwood "	3 "	300.00
Edwards, Ezra Henry	" "	1 "	100.00
Foster, Wm. Henry	" "	1 "	100.00
Galbraith, Margaret E.	" "	1 "	100.00
Galbraith, Robert T.	" "	1 "	100.00
Hughes, John	" "	2 "	200.00
Irwin, Joyce	" "	1 "	100.00
Leacock, William James	" "	1 "	100.00
Matthews, Charles W.	" "	1 "	100.00
Mills, T. F.	" "	5 "	500.00
Morgan, Herbert	" "	1 "	100.00
McKee, James	" "	1 "	100.00
Taylor, John W.	" "	1 "	100.00
Waddell, William	" "	2 "	200.00
Watson, William G.	" "	1 "	100.00
Woods, Arthur	"	2 "	200.00
Wright, Edwin	" "	1 "	100.00
Keller, Henry	Zephyr "	1 "	100.00
Snowdan, Amos	" "	1 "	100.00
Silversides, W. R.	" "	1 "	100.00
Heath, Thomas A.	" "	1 "	100.00
McLeod, William Murdoc	" "	1 "	100.00
Cain, James W.	" "	1 "	100.00
Cole, Robert	" "	1 "	100.00
Cole, Mary Calvert	" "	1 "	100.00

Name	Address	Shares	Amount
Miller, Robert, Jr.	Zephyr, Ont.	1 share	$100.00
Profit, Ernest Edwin.	" "	1 "	100.00
Kellar, Edward	" "	1 "	100.00
Harman, Reuben	" "	1 "	100.00
Coulter, W. J.	Cheltenham "	1 "	100.00
Lyons, Hamilton	" "	2 "	200.00
Hutchison, George	" "	1 "	100.00
Fraser, William T.	" "	1 "	100.00
Fraser, Simon	" "	1 "	100.00
Harris, John E.	" "	2 "	200.00
Haines, Fred. P.	" "	2 "	200.00
South, James W.	" "	2 "	200.00
Elliott, Thomas H.	" "	2 "	200.00
McQuarrie, W. W.	" "	2 "	200.00
Lyons, James	" "	2 "	200.00
Haines, Alfred T.	" "	4 "	400.00
Hunter, Alexander	" "	2	200.00
Clark, Hugh H.	" "	1 "	100.00
Hunter, William J.	" "	1 "	100.00
Edmison, Rev. John H.	" "	1 "	100.00
Bridgeman, E. J.	" "	1 "	100.00
Davidson, William T.	" "	2 "	200.00
Foster, William	" "	1 "	100.00
McDonald, Samuel O.	"	2 "	200.00
Wilkinson, Robert	" "	3 "	300.00
Davidson, Johnson F.	"	2 "	200.00
Mountain, John	" "	1 "	100.00
Mountain, Alexander	" "	2 "	200.00
Cameron, Peter	" "	1 "	100.00
Henry, William	"	2 "	200.00
Wilkinson, John	" "	1 "	100.00
McKechnie, William	" "	1 "	100.00
Shirley, William	" "	1 "	100.00
McQuarrie, John	"	1 "	100.00
Henry, George	" "	1 "	100.00
Henry, Elizabeth	" "	2 "	200.00
Lyons, William	"	1 "	100.00
Wiggins, Arthur M.	" "	1 "	100.00
Haines, Charles	"	1 "	100.00
Henry, William H.	"	1	100.00
Hagerman, Georg	Zephyr	"	500.00
Cook, Jesse	"	5 "	500.00
McArthur, James A.	"	5 "	500.00
Foote, W. B., Jr.		3	300.00
Law, W. O.	"	2 "	200.00
Henderson, Jos. E. C., M.D.	"	3 "	300.00
Pickering, R. W.	" "	3 "	300.00
Weller, Calvin	" "	3 "	300.00
Pickering, M.	" "	3 "	300.00
Kester, William J.	"	3 "	300.00
Hagerman, Arthur	" "	3 "	300.00
Winterstein, C. A.	" "	3 "	300.00
Crosby, T. P.	"	1 "	100.00
Arnold, Joseph E.	" "	1 "	100.00
Rae, Henry	" "	1 "	100.00
Sellers, Steven	" "	1 "	100.00
Meyer, Jacob R.	" "	2 "	200.00
Pickering, Hamilton	" "	1 "	100.00
Leitch, Adam	" "	2 "	200.00
Clellan, William	" "	2 "	200.00
Wesley, Mary	"	2 "	200.00
Rahan, Frank A.	" "	1 "	100.00
Silversides, Joseph	" "	1 "	100.00
Foote, William B.	St. Eudora "	1 "	100.00

Toronto, February 20th, 1907

The following stock was duly allotted:—

Name	Address	Shares	Amount
Lehman, Albert J.	Acton, Ont.	1 share	$100.00
Bradley, John	Milton, "	3 "	300.00
McNaughton, John	Williamstown, "	1 "	100.00
McBride, John	Grange, "	1 "	100.00
Hutchinson, William	Cheltenham, "	1 "	100.00
Little, Thomas	" "	1 "	100.00
Mountain, Alexander	" "	8 "	800.00
Metcalf, Richard W.	Hawkestone, "	1 "	100.00
Metcalf, George H	" "	1 "	100.00
Roe, John	" "	1 "	100.00
Cameron, John A.	" "	1 "	100.00
Priddle, Charles E.	" "	1 "	100.00
Spencer, Robert A.	" "	1 "	100.00
Reid, Alexander	" "	1 "	100.00
Shaw, Jasper A.	Eastone, "	3 "	300.00
Stone, Mrs. Thos. A.	Hawkestone, "	1 "	100.00
McKay, Katie	" "	1 "	100.00
McKay, Walter	" "	5 "	500.00
Shaw, Henry	" "	1 "	100.00
McPhaden, Richard W	" "	1 "	100.00
Smith, William A	" "	1 "	100.00
Kendall, R. G.	" "	1 "	100.00
Kirkpatrick, Ann J.	Orillia, "	1 "	100.00
McDean, Allan	Snelgrove, "	1 "	100.00
Wilmot, Charles	Belleville,	1 "	100.00
Yeomans, Horace	"	1 "	100.00
Heard, Joseph	Whitby, "	1 "	100.00
Sutcliffe, Joseph E.	Oshawa,	2 "	200.00
Colville, Thomas G.	Whitby,	1 "	100.00
Warner, Frank	"	1 "	100.00
Rice, John	" "	3 "	300.00
Richardson, W. J. H.	"	3 "	300.00
Lyons, Albert	Cheltenham, "	1 "	100.00

Toronto, March 20th, 1907.

The following stock was duly allotted:—

Name	Address	Shares	Amount
Webster, Samuel	Norvak,	1 share	$100.00
Sutherland, Alexander	Golspie,	2 "	200.00
Roe, Joseph	Hawkestone,	2 "	200.00
Leadbetter, John T.	Watford,	1 "	100.00
Carroll, William P.	Kerwood,	1 "	100.00
McLachlan, Nicholas	Napier,	1 "	100.00
Crossley, Daniel O.	Whitby,	1 "	100.00
Watson, W. O.	Winnipeg,	1 "	100.00
Coulter, George	Pontypool,	1 "	100.00
Williamson, Louis A.	"	1 "	100.00
Hill, Thomas	"	1 "	100.00
Minore, Milton J.	"	1 "	100.00
Staples, Rolston S.	"	1 "	100.00
Kennedy, John	"	1 "	100.00
Douglas, George	"	1 "	100.00
Perrin, Mrs. Caroline	"	1 "	100.00
Pringle, Benjamin H.	23 Regent St., City	1 "	100.00
Rumble Joseph & Sons	Hillsdale,	4 "	400.00
Turner, Robert J.	"	1 "	100.00
Miller, George	Mount St. Louis,	2 "	200.00
Devitt, George	Hobart	2 "	200.00

Name	Address	Shares	Amount
O'Neill, Bernard	Hillsdale	2 shares	$200.00
Thompson, Ospar	"	1 "	100.00
Reid, Duncan	"	1 "	100.00
Campbell, Wm.	"	1 "	100.00
Kent, Robt. A.	"	1 "	100.00
Prettle, John W.	Udora	1 "	100.00
Webster, Wm. O.	"	1 "	100.00
Webster, Robert S.	"	1 "	100.00
Escrig, James	"	2 "	200.00
Taylor, Samuel	"	1 "	100.00

Toronto, April 17th, 1907.

The following stock was duly allotted :—

Name	Address	Shares	Amount
Rowatt, David A.	Hillsdale	1 share	$100.00
Menzie, Robert E.	Toronto	200 "	20,000.00
Devitt, George	Hobart	1 "	100.00
Drysdale, William H.	Hillsdale	1 "	100.00
Frawley, Patrick J.	"	1 "	100.00
Hutton, Joseph M.	"	1 "	100.00
O'Neill, Leo	"	1 "	100.00
Martin, Lucy M.	"	1 "	100.00
Arksay, Frederick W. B	"	2 "	200.00
Robinson, William	"	1 "	100.00
Howarth, Moses	"	1 "	100.00
Devitt, Thomas	Orr Lake	1 "	100.00
Charbineau, C.	Hillsdale	1 "	100.00
Cole, Benjamin	"	1 "	100.00
Prest n, Charles	"	1 "	100.00
Waines, Walter F.	Udora	1 "	100.00
Dickie, Mitchell	Hillsdale	1 "	100.00
Miller, George C.	"	2 "	200.00
Cameron, Charles W.	Hawkestone	1 "	100.00
Smith, Archibald	"	1 "	100.00
Shaw, Leonard F.	"	1 "	100.00
Galbraith, Angus	Mt. St. Louis	1 "	100.00
Bell, John	Dunsford	3 "	300.00
Woolard, William F.	"	1 "	100.00
Thurston, Silas	"	3 "	300.00
Thurston, William H.	Bobcaygeon	1 "	100.00
Kennedy, James B.	Dunsford	1 "	100.00
Thurston, William J.	"	1 "	100.00
Lancaster, Howa d D.	"	1 "	100.00
Robertson, John J.	"	1 "	100.00
Hunter, John D.	"	1 "	100.00
Mitchell, Robert	"	1 "	100.00
Kennedy, Thomas A.	"	1 "	100.00
Mitchell, Samuel	"	3 "	300.00
McDonald, John	"	4 "	400.00
Brien, Robert W.	"	3 "	300.00
Horne, John T.	Rugby	"	200.00
Horne, Leonard	"	1 "	100.00
Anderson, Richard	"	2 "	200.00
Crawford, James A.	Mitchell Square	2 "	200.00
Yearn, Rev. Michael J.	Phelpston	1 "	100.00
Stone, Mrs. Mabel G.	"	2 "	200.00
O'Neil, Terence	"	1 "	100.00
Morrison, Miss Mary Jane	"	1 "	100.00
Murphy, Dr. Albert E.	"	1 "	100.00
Miller, David Johnstone	Mt. St. Louis	2 "	200.00

The following stock was duly allotted:— Toronto, May 15th, 1907.

Name	Address	Shares	Amount
Frawley, Catharine and Elizabeth	Hillsdale	1 share	$100.00
McLean, Mrs. Christiana	Craighurst	2 "	200.00
Johnson, Mrs. Alice	Hillsdale	1 "	100.00
Long, Michael J.	Anten Mills	1 "	100.00
Barr, Francis	Mt. St. Louis	1 "	100.00
Long, James B.	Anten Mills	1 "	100.00
Grigg, Edward	Waverley	1 "	100.00
Kilbank, William	Hillsdale	1 "	100.00
Gibson, William	Hobart	1 "	100.00
Siple, Charles Henry	Currie	1 "	100.00
Derbyshire, Meriba	Burgessville	2 "	200.00

The following stock was duly cancelled:—

Name	Address		Shares
Macorquodale, D. S.	Toronto		1 share
Macorquodale, B. D.	"		1 "
Macorquodale, F. D.	"		1 "

The following stock was duly allotted:— Toronto, June 19th, 1907.

Name	Address	Shares	Amount
Muirhead, William	Nestleton	1 share	$100.00
Malcolm, James	"	1 "	100.00
Bruce, John J.	"	1 "	100.00
Elliott, James E.	Cadmus	1 "	100.00
Taylor, Anson	Blackstock	1 "	100.00
Mountjoy, John	Nestleton	1 "	100.00
Brown, William	Cadmus	1 "	100.00

The following stock was duly cancelled:—

Name	Address	Shares	Amount
Frawley, Catherine and Elizabeth	Hillsdale	1 share	$100.00
Gallagher, Mrs. Loletia	Toronto	1 "	100.00

The following stock was duly allotted:— Toronto, July 27th, 1907

Name	Address	Shares.
Simpson, James	Kinmount	5 shares
Hopkins, A. G.	"	10 "
Deltman, F.	"	3 "
Wilson, James	"	1 "
Doherty, J. J.	"	1 "
Herlihy, F. D.	"	1 "
Wellstood, C.	"	2 "
Switzer, Sidney	Furnace Falls	1 "
Train, Geo.	Kinmount	1 "
Watson, William	"	1 "
Austin, John	"	2 "
Wilson, G. F.	"	1 "
Mark, J. R.	"	1 "
Hopkins, A. E.	"	1 "
Hopkins, H. S.	"	1 "
Mansfield, J. E.	"	1 "
Dettman, Geo.	"	3 "
Hopkins, Gordon	"	1 "

Toronto, Nov. 20th, 1907.

The following stock was duly allotted:—

Name	Address	Shares.
Blow, J. H.	Springford	2 shares
Luno, Geo. F.	"	1 "
Cornell, Murray	"	1 "
McElhour, Jos.	"	1 "
Smart, J. C.	"	1 "
Wilcox, T. J.	"	1 "
Macguire, E. C.	Cornell	1 "
Rice, M. W.	Springford	1 "
Smillie, B. D.	"	1 "
Lapier, Alex.	"	2 "
Monk, J. D.	"	1 "
White, H. A.	"	2 "
DeFoe, D. C.	"	2 "
Kellett, Wm.	"	1 "
Wilson, O. M.	"	1 "
Veale, John	"	1 "
Wood, James H.	"	1 "
Havens, H. P.	"	1 "
Hicks, L.	"	1 "
Durkee, William	"	1 "
Malcolm, F.	"	1 "
Gregg, J. W.	North Claremont	1 "
Forsyth, Robert B.	"	1 "
Barclay, Charles.	Brougham	1 "
Alger, D. H.	Claremont	1 "
Devitt, W. J.	Greenwood	1 "
Devitt, Robert.	Brougham	1 "
Pugh, Edward E.	Claremont	1 "
McKay, William	Altona	1 "
White, John.	"	1 "
Forsyth, Daniel	North Claremont	1 "
Forsyth, Rachel E.	"	1 "
Fish, Dr. Geo. N.	Brougham	1 "
Edwards, Mrs. Jane	Balsam	2 "
Walker, Miss Elizabeth	North Claremont	1 "
Pook, William P.	Beachville	1 "
Baird, T. W.	"	1 "
Downing, John	"	2 "
Brenner, A. R.	"	2 "
Geddes, Geo.	"	1 "
Henry, John	"	1 "
Henry, James	"	1 "
Cook, G. J.	"	1 "
Guthrie, Donald	"	1 "
Dickie, R. W.	"	1 "
Forden, J. E.	"	1 "
Cronk, E. S.	"	1 "
Mayberry, T. R.	Ingersoll	1 "
Elliott, W. E.	Beachville	1 "
McKay, A.	Ingersoll	1 "
Swartz, Neil	Beachville	1 "
Swartz, Frank	"	1 "

Toronto, November 20th, 1907

The following shares were allotted by the London Committee:—

NAME	ADDRESS	SHARES.
Trechmann, Charles Otto	Castle Eden, England	20 shares
Taylor, Frank Ernest Frith	Hemsworth, England	3 "
Cornish, Thos. Smerdon	Petersfield, England	40 "
Firth, Charles, M.D.	Gravesend, England	1 "
Bell, Alan Dugald	Bonne Terre, Missouri, U.S.A.	5 "

Dec. 18th, 1907.

The following stock was duly allotted:—

NAME	ADDRESS	SHARES.
Cronk, D. J.	Mountain Grove	1 share
McDonald, Jas.	"	8 "
Johnston, William	"	4 "
McDonald, Alex.	"	10 "
Butterill, J.	"	1 "
Carley, B. F.	"	2 "
Blair, Robert	Sharbot Lake	5 "
Coutlee, Dr. H. N.	"	5 "
Erwin, James	"	1 "
Gannon, N. Y.	"	2 "
Hetherington	"	8 "
Butler, George P.	"	1 "
Buell, A. W.	"	1 "
Johnston, Larmon	"	2 "
Drew, H.	Long Lake	4 "
Cobb, Jacob	Zealand	2 "
Thomson, H. J.	Sharbot Lake	1 "
Morris, C. A.	"	1 "
Malon, James	"	1 "
Mallitt, W. H.	"	2 "
Conby, William Henry	"	1 "
Smith, Bertram	"	2 "
Edwards, J. A.	"	1 "
Roberts, H. B.	"	1 "
Bradshaw, G.	Crow Lake	1 "
Avery, Hattie G.	Sharbot Lake	1 "
Loyst, H.	Mountain Grove	1 "
Lewis, Harry	"	2 "
Smith, I. M.	Long Lake	5 "
Robson, William H.	Long Lake	1 "
Brown, Mrs. Anna H.	Tichborne	5 "
Duffy, Thos. J.	"	1 "
Wartelsky, H. B.	Verona	4 "
Wartelsky, N.	Colebrooke	4 "
Trousdale, A.	Verona	4 "
Walroth, S. & Son	"	2 "
Irish, S. M.	"	2 "
Persy, W. D.	"	1 "
McCarty, J.	"	5 "
Black, W. D.	Parham	1 "
Killins, George W.	"	1 "
Wagar, A. C.	"	1 "

Toronto, Dec. 31st, 1907.

Stock to be allotted on opening a Branch at Athens:

NAME	ADDRESS	SHARES
Jos. Thompson	Athens	1 share
W. F. Earl	"	5 "
Ronen, William	"	2 "
Karley & Gibson	"	1 "
Kendrick, T. S.	"	1 "
Berney, Thomas	"	1 "
Ronen, James	"	4 "
McLean, Anthony E.	"	2 "
Milroy, Melvin R.	"	1 "
Ronen, John J.	"	4 "
Howe, L. N.	Addison	1 "
Quinn, J. I.	"	1 "
McMachen, Mrs. Frances	Athens	7 "
Stevens, George W.	"	1 "
Taber, Robert T.	"	1 "
Wilson, Milton L.	"	1 "
Fisher, Duncan	"	1 "
Hawes, William H.	"	2 "
Green, R. J.	Oak Leaf	5 "
Latimer, Robert G.	Athens	1 "
Green, Ormond	Oak Leaf	2 "
Jacob, William H.	Athens	1 "

Toronto, January 15th, 1908

The following stock was duly allotted:—

NAME	ADDRESS	SHARES
Mackay, W. M.	Courtland	1 share
Detlor, B. F.	Arden	10 "
Brown, J. W.	"	2 "
Monds, George S.	"	1 "
Geddes, Mrs. E. M.	"	1 "
Clancey, D. C.	"	1 "
Newsom, W. B.	Plum Hollow	1 "
Dunham, George W.	"	1 "

THE FARMERS BANK OF CANADA

GENERAL STATEMENT FOR YEAR ENDING 31ST DECEMBER, 1909

LIABILITIES

Notes in Circulation		$326,720.00	
Deposits not bearing interest	$240,703.36		
Deposits bearing Interest	1,406,542.31		
Interest accrued on Deposit Receipts	875.42		
Deposit of Provincial Government	45,254.80		
		1,693,375.89	
Capital Stock Paid up		567,357.00	
Unclaimed Dividends		242.00	
Dividend No. 4, payable 3rd January, 1910		11,308.00	
Balance of Profit and Loss Acct., carried forward		49,664.22	
			$2,648,667.11

ASSETS

Specie on Hand	9,862.64		
Dominion Notes on Hand	64,857.50		
		74,720.14	
Notes and Cheques of other Banks		98,232.93	
Balances due from other Banks		45,821.14	
Balances due from Agents in Great Britain		3,974.56	
Balances due from Foreign Agents		20,262.72	
Deposit with Trust & Guarantee Co.		124,009.15	
Government, Municipal, Railway and other Stocks and Bonds		403,264.38	
Call and Short Loans on Stocks and Bonds		623,157.49	
Deposit with Dominion Government for Security of Note Circulation		17,000.00	
			$1,410,442.51
Total Available Assets			$1,410,442.51
Current Loans		1,035,996.39	
Overdue Bills (estimated loss provided for)		14,633.54	
			1,050,629.93
Bank Premises (including safes, etc.)			156,349.35
Other Assets not included above			31,245.32
			$2,648,667.11

W. R. TRAVERS,
General Manager.

STAFF—INCREASES IN SALARY

Toronto:

Dennis, R. M.	$ 50
Burke, Victor A.	50
Kersell, Miss A. W.	50
Crozier, J. B.	50
Beddome, N. R.	50

Head-Office:

Shaver, A. R.	100
Weir, Miss T. H.	50

Allenford:

McGregor, H. C.	100

Arkona:

Doull, E. M.	100
Crawford, I. C.	50

Athens:

Forrest, M. A.	100

Belleville:

Eaton, G. K.	50

Bethany:

Bigelow, F. W.	100
McCartney, R. H. V.	100

Camden East:

Bradburn, O. S.	100

Cheltenham:

Hunter, J. F.	100
South, B. E.	100

Dashwood:

Dunlop, R. T.	100
Weltin, A. H.	100
Siebert, E. R.	100

Fingal:

Burwell, S. E.	100
Evans, Roy E.	100
Buckler, W. J.	150

Haileybury:

O'Neill, J. E.	100

Kerwood:

Thompson, E. A.	100
Lyons, J. H.	100
	$2,250

Carried Forward	$2,250

Lakeside:

Munro, Allan	50
Hamilton, J. E.	50

Lindsay:

Denyes, A. N.	100
Sherrington, G.	100
Coulter, J. L.	100
Flurey, J. J.	100
Abbott, E.	50
Weldon, Roy	50
Moore, E.	50

Millbank:

Ernst, J. R.	100
Milne, D. E.	100
Mackay, J. F.	50

Milton:

Cook, S. C.	50
King, Arthur	100

Norval:

Cleave, George E.	50

Philipsville:

Ostrom, B. B.	100

Pontypool:

McConechy, G. C.	50
Staples, M.	100
Baxter, R. H.	100

Sharbot Lake:

Foran, F. C.	50
Buell, H. M.	50
Robertson, H. S.	50

Stouffville:

Farmer, J. E.	50

Trenton:

Davis, R. E.	50

Williamstown:

Dickson, C. E.	50

Zephyr:

Sloan, A. E.	100
Total	$4,100

THE FARMERS BANK OF CANADA

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting to the Shareholders the Third Annual Report, showing the result of the Bank's business to the 31st of December, 1909, together with Balance Sheet of the Bank on that date, viz.:

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31ST DECEMBER, 1909.

To Dividend No. 3, for six months ending June 30th, 1909, 2%	$11,102.00	By Balance brought forward from last year	$28,794.00
		By Premiums on Stock	2,172.00
To Dividend No. 4 for six months ending Dec. 31st, 1909 (payable Jan. 3rd, 1910), at 2%	11,308.00	By Net Profits for year after deducting cost of Management, etc	41,107.00
			$72,074.00
To Balance carried forward to next year	49,664.22		
	$72,074.22		

During the year a Branch of this Bank was opened at Haileybury and the Spring Brook Branch was closed.

Your Directors elected Mr. M. W. Ford of Omagh, to fill a vacancy on the Board.

All the Branches of the Bank including Head-Office have been duly inspected.

All of which is respectfully submitted,

JAMES MUNRO,

President.

STOCK TO BE CANCELLED

FEB. 16TH, 1910.

NAME	ADDRESS	SHARES
Barr, Francis	Mt. St. Louis	1 share
Bradley, John	Milton	3 "
Cook, Joseph	Watford	5 "
Edwards, Ezra A	Kerwood	1 "
Fish, Dr. Geo. N	Brougham	1 "
Morgan, Herbert	Kerwood	1 "
McArthur, James A	Harrowsmith	5 "
McBride, John	The Grange	1 "
Geddis, George	Toronto	1 "
Pringle, Benj. H	"	1 "
Robinson, William	Hillsdale	1 "
Russell, Gordon	Toronto	70 "
Wilson, George F	London	1 "
		90

EXHIBIT 11.

Agreement of March 12th, 1906, between James Gallagher et al. and W. R. Travers:—

MEMORANDUM OF AGREEMENT made in duplicate the 12th day of March A.D. 1906,

BETWEEN:

James Gallagher, Alexander Sheperd Lown, Alexander Fraser, John Ferguson, M.D., all of the City of Toronto, in the County of York, and John Watson of the Town of Listowel, in the County of Perth, The Provisional Directors of the Farmers Bank of Canada, Hereinafter called the DIRECTORS,

OF THE FIRST PART, and

W. R. Travers, of the said City of Toronto,

OF THE SECOND PART.

The said Directors agree to allow the said Travers to sell all the capital stock of the said bank at par for a period of two months from the date hereof, except such portion of said stock as they may reserve to be sold by C. H. Smith and the firm of Messrs. Urquhart, Urquhart & MacGregor, and to allow him a commission of ten per cent. thereon, payable as follows: One half on the signing of subscription and payment of deposit and balance on allotment. The said Directors reserve the right to refuse to allot any stock so subscribed and on any stock which they refuse to allot no commission is to be paid.

The said Directors agree to engage the said Travers as General Manager of the said bank, to perform the duties as such for the period of five years certain, to date from the obtaining of a license from the Treasury Board for said Bank, at a salary of $4,000.00 for the first year, increasing $1,000.00 each year thereafter during the said term, it being understood that should the said Travers not be re-engaged at the expiration of the said five years, that he should be allowed a pension of $1,500.00 per annum during the term of his natural life, and all agreements necessary to give effect to this provision are to be executed by both parties, the same to be subject to the by-laws of the said bank, and to the Bank Act as to the security for the performance of duties and this agrement as to employment to be subject to ratification by the permanent Board of Directors elected by the shareholders, and if they refuse to ratify it, to be null and void.

The said Travers agrees that if the said Permanent Board do not confirm the appointment above set out of the said Travers as General Manager, then he is to receive only his commission on the stock sold by him, and there will be no further liability to him on the part of the said Provisional Directors personally, or on the part of the said bank.

The said Travers agrees within one week from the 12th day of March, 1906, to procure four members for the Permanent Board of Directors, who will be acceptable to the Provisional Directors and to Thomas Urquhart, otherwise this agreement to be null and void, at the option of the Provisional Directors, and the said Travers to have no claim against the said Directors personally, or against the bank.

It is understood and agreed that the said Provisional Directors may cancel this agreement, at any time, after the 12th day of April, 1906, if they are of the opinion that the said Travers is not making satisfactory progress in obtaining subscriptions for said stock. The obtaining of subscriptions of about $100,000.00 before April 11th, will be considered satisfactory.

The said Travers agreed that the expenses of the Directors, provided they do not exceed sixteen thousand dollars ($16,000.00) to date, be paid out of the funds of the bank.

The said Provisional Directors agree that the literature, office rent, and other incidental expenses, of a like nature, be paid by the said bank.

IN WITNESS WHEREOF THE SAID PARTIES HERETO HAVE HEREUNTO SET THEIR HANDS AND SEALS:
SIGNED, SEALED AND DELIVERED
IN PRESENCE OF:

Witness as to signatures of
A. S. Lown, A. Fraser & J. Ferguson,
C. H. Smith.

A. S. Lown.
Alexander Fraser.
John Ferguson.

Witness:
C. H. Smith.

W. R. Travers.

EXHIBIT 12.

Two agreements of the 4th July, 1906, between Gallagher et al., C. H. Smith and W. R. Travers:

Memorandum of Agreement made in duplicate the 4th day of July A.D. 1906, *between*,

JAMES GALLAGHER,
ALEXANDER S. LOWN,
ALEXANDER FRASER,
JOHN FERGUSON,

all of the City of Toronto, in the County of York, *and*

JOHN WATSON,

of the Town of Listowel, in the County of Perth, the Provisional Directors of the Farmers' Bank of Canada,

of the first part,

CLARK HAMILTON SMITH,

of the said City of Toronto,

of the second part,

and

W. R. TRAVERS,

of the said City of Toronto,

of the third part.

WHEREAS, an agreement was made between the said parties of the first and third parts dated the 12th day of March, A.D. 1906, and whereas it has been agreed by and between the said parties hereto to cancel and annul the said agreement and to substitute in lieu thereof the following agreement and the said agreement is hereby annulled and the following substituted.

The said Directors agree to allow the said Travers to sell all the capital stock of the said Bank which is now unsold, the first $500,000 of the capital stock at par and the balance thereof at such a premium as may be decided upon up to the time at which the duties of the said Provisional Board shall cease, and to allow him a commission of ten per cent. thereon, for expenses of selling same, payable one half on the signing of the subscription and payment of deposit and the balance on allotment and the said Directors bind themselves to allot all the stock on the application of the party of the third part, and to make all legal calls thereon, and the party of the first part further agree at the request of the party of the third part to call all meetings and do all acts which are legally necessary for the organization of the Bank.

The said Directors agree to engage the said Travers as General Manager of the said Bank to perform the duties as such for the period of five years certain to date from the obtaining of license from the Treasury Board for said Bank at a salary of $5,000.00 for the first year increasing $1,000.00 each year thereafter during the said term, it being understood that should the said Travers not be re-engaged at the expiration of the said five years, that he should be allowed a pension of $1,500.00 per annum during the term of his natural life and all agreements necessary to give effect to this provision are to be executed by both parties, the same to be subject to the by-laws of the said Bank and to the Bank Act as to the security for the performance of duties and this agreement as to employment to be subject to ratification by the Board of Directors elected by the shareholders, and if they refuse to ratify it to be null and void.

The said Travers agrees that if the said Board so elected by the shareholders as aforesaid do not confirm the appointment above set out of the said Travers as General Manager, then he is to receive only his commission on the stock sold by him and there will be no further liability to him on the part of the said Provisional Directors personally or on the part of the said Bank.

The said Provisional Directors agree that the literature, office rent and other incidental expenses of the organization of the Bank be paid by the said Bank and also confirm all acts done by the said Travers and all accounts incurred by him as General Manager of said Bank up to the date of this agreement.

And the said party of the second part who has certain rights under said agreement dated the 12th day of March, A.D. 1906, as to the sale of the stock of the said Bank, agrees to surrender all his rights under the said agreement and releases all his claims against the said Provisional Directors or the said Bank. That the party of the third part agrees to accept the legitimate accounts as they now stand upon the books for the expenses of the organization to date and also agrees to allow the parties of the first and second part the sum of twenty thousand dollars ($20,000) as a remuneration for their services, surrender of charter, etc., to be paid out of the funds of the Bank, provided the same be confirmed at the meeting of the subscribers.

The said Travers to have full control of the office of the said Bank and all the affairs pertaining to the organization thereof immediately after the signing of this agreement, and it is further agreed that until the organization of the Bank, all checks are to be countersigned by him.

It witness whereof, the said parties hereto have hereunto set their hands and seals.

Signed, Sealed and Delivered
In presence of
as to seven signatures,
D. S. MACORQUODALE.

JAMES GALLAGHER.
A. S. LOWN.
ALEX. FRASER.
JOHN FERGUSON.
JOHN WATSON.
C. H. SMITH.
W. R. TRAVERS.

Memorandum of Agreement made the 4th day of July, A.D. 1906,

Between,

JAMES GALLAGHER,
ALEXANDER S. LOWN,
JOHN FERGUSON,
ALEXANDER FRASER,
JOHN WATSON,

the Provisional Directors of the Farmers' Bank of Canada,

of the first part.

CLARK HAMILTON SMITH,

of the second part.

W. R. TRAVERS,

of the third part.

WHEREAS, the said parties hereto have made an agreement bearing date of the 4th day of July A.D. 1906.

WHEREAS in an Agreement made between the said parties bearing date the 4th day of July, A.D. 1906, the said parties of the first and second parts were to receive twenty thousand dollars ($20,000) as remuneration for their services in and about the organization of said Bank, surrender of Charter, etc., and whereas they have agreed to assign the same to the party of the third part on the terms herewith set out.

WITNESSETH that in consideration of the above promises, the said parties of the first and second parts hereby covenant and agree to assign all their claims and interest under said agreement to the party of the third part on the following terms and conditions:

The party of the third part agrees to accept their claim under the said agreement and take the responsibility of the same and to pay the $20,000 to the said parties of the first and second part as follows:—

D. S. Mac.
A. S. L.
A. F.
J. G. J. F.
C. H. S.
W. R. T.

immediately upon their passing the necessary resolution to give the legal notice calling a meeting of the subscribers for the organization of the Bank.

In the event of any of the parties of the first or second part being advanced the sums or part of the sums due them, the same to be deducted when making the final settlement.

In witness whereof the said parties hereto have hereunto set their hands and seals:

Signed, Sealed and Delivered
In presence of
as to seven signatures,
D. S. Macorquodale.

A. S. Lown.
John Watson.
John Ferguson.
Alex. Fraser.
C. H. Smith.
James Gallagher.
W. R. Travers.

Received from W. R. Travers the sum of ten thousand dollars, and to this extent we hereby assign our interest in said twenty thousand dollars to said Travers.

A. S. Lown.
James Gallagher.
John Ferguson.
Alex. Fraser.
C. H. Smith.
John Watson.

EXHIBIT 13.

Power of attorney, John Ferguson et al., to Travers, and distribution agreement between A. S. Lown and others, dated July 5th, 1906:

KNOW ALL MEN BY THESE PRESENTS, that we, John Ferguson, Physician; Alexander Fraser, Archivist; James Gallagher, Banker; Alexander Sheppard Lown, Solicitor, all of the City of Toronto, in the County of York, and John Watson, Brewer, of the Town of Listowel, in the County of Perth, the Provisional Directors of the Farmers' Bank of Canada, have made, constituted and appointed and by these presents do hereby make, constitute and appoint W. R. Travers, of the City of Toronto, Banker, our lawful attorney for us and in our name and stead to endorse our names on all notes made by anyone whatever payable to the Provisional Directors of the Farmers' Bank of Canada and the endorsement of our names on said notes by him as our attorney shall be as valid and effectual as if we ourselves had endorsed said notes, and for us in our names and stead and on our behalf to sign any note or notes to his own order and to hypothecate said notes so endorsed and signed for the purpose of raising funds thereon, we personally guaranteeing said notes.

Hereby ratifying and confirming all the acts and things which the said Travers may do by virtue of anything contained in these presents.

This Power of Attorney is given by us for the above purpose and no other.

Dated this eighth day of October, A.D. 1906.

Signed, sealed and delivered in presence of W. J. Lindsay, as to signatures of said parties (five).	John Ferguson. Alexander Fraser. James Gallagher. A. S. Lown. John Watson.

We, the undersigned, hereby agree that we will divide the sum of Twenty Thousand Dollars, to be paid us by W. R. Travers, under an agreement dated the 4th day of July, A.D. 1906, amongst ourselves as follows:—

A. S. Lown	$5,000
C. H. Smith	5,000
John Ferguson	3,000
Alexander Fraser	3,500
John Watson	1,500
James Gallagher	1,500

In witness whereof we have hereunto set our hands and seals this 3rd day of July, A.D. 1906.

Signed, sealed and delivered in presence of

A. S. Lown.
C. H. Smith.
John Ferguson.
Alexander Fraser.
John Watson.
James Gallagher.

EXHIBIT 14.

Motion of J. Gallagher and John Ferguson that provisional directors execute power of attorney to W. R. Travers, October 8th, 1906:

October 8.

Moved by J. Gallagher, seconded by John Ferguson, That the provisional directors execute a power of attorney to W. R. Travers for the purpose of endorsing all notes in their names as Provisional Directors and of signing their names to a note or notes for the purpose of raising funds to put up deposit with Government, and we authorize the secretary to hand over all notes to W. R. Travers for the said purpose.—*Carried.*

A. S. Lown, *Chairman.*

EXHIBIT 15.

Report of Provisional Board of Farmers Bank, November 22nd, 1906:

Toronto, November 22nd, 1906.

The Provisional Board of The Farmers' Bank of Canada desire to make the following report:—

(1) This Bank was duly incorporated by Act of Parliament of The Dominion of Canada, duly assented to on the 18th day of July, 1904, was renewed for one year from that date and was afterwards renewed for six months.

(2) Owing to certain circumstances over which the Board had no control, arrangements which the Board had made from time to time to have the stock of the Bank duly subscribed and the organization completed proved abortive, but on the 22nd day of March, 1906, the Board entered into an arrangement with Mr. W. R. Travers by which the sale of the stock and the organization of the Bank was practically placed in his hands and the Board are now happy to report that they are in a position to comply with all the Government requirements and to ask the Treasury Board for a license to do business on behalf of The Farmers' Bank of Canada, and the Board desire earnestly to report that since the organization of the Bank and the subscription of the stock was placed in Mr. Traver's hands, it has progressed in the most satisfactory way and to express their sincere appreciation of the energy and ability with which he has conducted duties.

(3) Owing to the long time in which the organization of the Bank has been in progress, the labors of the Board and the expenses of the organization have been more difficult and higher than they would have been under ordinary circumstances.

(4) The Board have to report in the first place that they have the sum of $579,200 *bona fide* subscribed, and out of the subscriptions thereon they have paid in to the Treasury Department of The Dominion Government the sum of $250,000, and that the expenses of the organization up to date, as far as has been paid by the Board, amounts to the sum of $44,403.65.

The said Board also desire to submit to the shareholders that as a result of their labors they have secured for the subscribers to the capital stock of the said Bank, a franchise extremely valuable in their opinion from the facts that in the future such franchises will be extremely difficult to obtain and in the second place from the enormous increase which is equally sure to obtain from the increasing trade, wealth and prosperity of the country and which must yield to said subscribers both good dividends and increase in the value of their stock, provided they are only loyal to the institution.

All of which the Board desire to respectfully submit to this meeting.

A. S. LOWN, *Chairman.*

EXHIBIT 16.

Order, John Watson on Robertson & McLellan, July 23rd, 1907, and receipt for $100 in full of all claims and demands by John Watson:

Received from The Farmers Bank of Canada the sum of One Hundred Dollars ($100), in full of all claims and demands against the said Bank, W. R. Travers and any other person or persons connected with it.

JOHN WATSON.

Toronto, July 23rd, 1907.

Messrs. Robertson & McLennan, Barristers, Toronto.

Dear Sirs:—

Please be good enough to deliver to Mr. W. R. Travers an Agreement lodged with you on or about the 4th day of July last, signed by:

John Ferguson
Alex. Fraser
John Watson
A. S. Lown
James Gallagher

to be held by you in trust subject to delivery on the signatures of any three.

JOHN WATSON.

EXHIBIT 17.

List of shareholders of Farmers Bank:—

THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS.

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Brimblecomb, Wm.	Drayton.....Ont.	5 shares	$ 500.00	$ 25.00
Tucker, Geo.	Bosworth..... "	2 "	200.00	10.00
Dowling, John J.	Drayton..... "	1 "	100.00	5.00
Gibb, Hugh C.	" ..... "	2 "	200.00	140.00
Page, Garnet L.	" ..... "	10 "	1,000.00	700.00
Wilson, Wm. & H.	Rothsay..... "	2 "	200.00	200.00
Noble, Robert.	Bosworth..... "	2 "	200.00	60.00
Whyte, John	Drayton..... "	1 "	100.00	40.00
Gordon, Lottie Mrs	" ..... "	2 "	200.00	10.00
Ritch, Wm.	" ..... "	2 "	200.00	70.00
Dales, John N.	Kingston..... "	1 "	100.00	5.00
Cunningham, H.	Drayton..... "	5 "	500.00	100.00
Wadel, Joseph	Whitechurch.. "	10 "	1,000.00	1,000.00
Fowler, Geo. S.	Teeswater... "	5 "	500.00	275.00
Casey, Con.	Drayton..... "	5 "	500.00	450.00
Mayne, Ellen Mrs	Stirton..... "	2 "	200.00	175.00
Downey, James.	Goldstone.... "	2 "	200.00	10.00
Ellis, George.	Drayton..... "	5 "	500.00	500.00
Johnston, James.	Winfield..... "	2 "	200.00	40.00
Johnston, Robert.	" ..... "	5 "	500.00	100.00
Laing, Helen	Drayton..... "	10 "	1,000.00	1,000.00
Davidson, E.	" ..... "	10 "	1,000.00	1,000.00
Wooddisse Bros.	Rothsay..... "	10 "	1,000.00	1,000.00
White, Charles.	Drayton..... "	5 "	500.00	25.00
Corbitt, R. H.	Rothsay..... "	10 "	1,000.00	1,000.00
Groves, A.	Fergus..... "	100 "	10,000.00	3,000.00
Elsley, Levi.	Nassagaweya..... "	7 "	700.00	700.00
Visger, J. S.	Montreal.....Que.	1 "	100.00	5.00
Ryan, J. G.	Elizabeth.....N.J.	1 "	100.00	5.00
Fortier, Joseph.	Montreal.....Que.	2 "	200.00	10.00
Forget, A. E.	Regina.....Sask.	50 "	5,000.00	
Munro, James.	Embro.....Ont.	50 "	5,000.00	3,250.00
Lavertin, L. V.	Montreal.....Que.	3 "	300.00	15.00
Davidson, W. F.	Drayton.....Ont.	2 "	200.00	20.00
McKay, Alex.	Holiday..... "	5 "	500.00	350.00
McKay, Hugh.	" ..... "	5 "	500.00	350.00
Sutherland, G. A.	Embro..... "	5 "	500.00	500.00
Geddes, W. J.	" ..... "	10 "	1,000.00	1,000.00
Sutherland, Geo.	Chicago.....Ill.	10 "	1,000.00	1,000.00
Keseltine, W. H.	Rothsay.....Ont.	10 "	1,000.00	100.00
Stevens, F. B.	Detroit.....Mich.	20 "	2,000.00	1,000.00
Newman, R. A.	" ..... "	50 "	5,000.00	5,000.00
Elsley, Levi.	Nassagaweya.....Ont.	3 "	300.00	300.00
Lathrop, F. E.	Armada.....Mich.	10 "	1,000.00	1,000.00
Walker, Joseph.	Niagara-on-the-lake "	2 "	200.00	20.00
Murray, C.	Embro.....Ont.	10 "	1,000.00	1,000.00
Sutherland, R.	Golspie..... "	5 "	500.00	500.00
Brand, C. A.	Embro..... "	5 "	500.00	500.00
Sutherland, M.	Golspie..... "	5 "	500.00	500.00
Walsh, Mrs. J.	Hollin..... "	6 "	600.00	600.00
Paterson, W. A.	Flint.....Mich.	10 "	1,000.00	500.00
Ferguson, A.	Edinburgh.....Scot.	10 "	1,000.00	500.00
Lindsay, James.	Fergus.....Ont.	10 "	1,000.00	1,000.00

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THE FARMERS BANK OF CANADA

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Sutherland, Geo. A.	Embro, Ont.	5 shares	$ 500.00	$ 500.00
Simpson, G. A.	Leamington "	10 "	1,000.00	1,000.00
Morse, G. A.	" "	5 "	500.00	500.00
Nelson, J. H.	Kingsville "	20 "	2,000.00	2,000.00
Samson, James	Windsor "	5 "	500.00	50.00
Watt, J. A.	Salem "	1 "	100.00	40.00
Charlton, Thomas	Collingwood "	30 "	3,000.00	
McLennan, R. R.	Cornwall "	50 "	5,000.00	3,000.00
Webb, Thomas	Brighton "	10 "	1,000.00	1,000.00
Gilchrist, A.	Napanee "	3 "	300.00	240.00
Armstrong, R. W.	Bracebridge "	1 "	100.00	50.00
Harris, M. A.	Toronto "	2 "	200.00	200.00
Witham, A. J.	St. Catharines "	25 "	2,500.00	
Wise, Henry	" "	5 "	500.00	500.00
McMillan, Isabella	Hamilton "	5 "	500.00	500.00
Brown, J. G.	Humber Bay "	2 "	200.00	200.00
Barnhill, John	Norval "	2 "	200.00	200.00
Noble, Robert	" "	30 "	3,000.00	3,000.00
Hunter, Francis	" "	10 "	1,000.00	1,000.00
Cook, James E.	Hamilton "	4 "	400.00	400.00
Day, G. H.	Norval "	3 "	300.00	300.00
Turner, W. D.	" "	2 "	200.00	200.00
Watson, Robert, Sr.	" "	5 "	500.00	50.00
Anthony, F. W.	" "	1 "	100.00	10.00
Early, M. J.	" "	6 "	600.00	600.00
Skyes, A.	Glenwilliams "	10 "	1,000.00	1,000.00
Tumulty, T. H.	Madoc "	1 "	100.00	100.00
Hyatt, W.	Norval "	10 "	1,000.00	1,000.00
Hunter, John	" "	1 "	100.00	100.00
Chisholm, William	Antigonish N.S.	3 "	300.00	300.00
Cook, John C.	Norval Ont.	5 "	500.00	50.00
Switzer, Jos. C.	" "	5 "	500.00	50.00
Leslie, Matilda	Georgetown "	5 "	500.00	500.00
Leslie, R. F.	" "	10 "	1,000.00	1,000.00
Summers, Jane	Corinth "	1 "	100.00	100.00
Fisher, A. E.	Whitehorse Yukon	5 "	500.00	500.00
Eccles, John	Glenwilliams Ont.	10 "	1,000.00	
Showler, T. W.	Arkona "	10 "	1,000.00	30.00
Hotson, Alexander	Parkhill "	15 "	1,500.00	900.00
Dickison, Thos.	Arkona "	4 "	400.00	400.00
Dickison, Jennie	" "	5 "	500.00	500.00
Hunter, John W.	Toronto "	5 "	500.00	500.00
Ellis, J. S.	" "	1 "	100.00	50.00
Green, C. J.	Kingsville "	2 "	200.00	200.00
Smith, A. E.	Parkhill "	4 "	400.00	400.00
Bowley, James	Strathroy "	10 "	1,000.00	500.00
Sunstrum, John	Ottawa "	25 "	2,500.00	
Merner, Samuel	Berlin "	50 "	5,000.00	
McKinnon, D. P.	Finch "	10 "	1,000.00	100.00
McMillan, D. A.	" "	5 "	500.00	450.00
Simpson, J. P.	" "	3 "	300.00	270.00
Adams, Benjamin	" "	5 "	500.00	500.00
Desse, D. E.	" "	5 "	500.00	500.00
Sutherland, D.	Golspie "	3 "	300.00	300.00
Showler, T. W.	Arkona "	20 "	2,000.00	70.00
Moore, Louisa, Miss	" "	1 "	100.00	100.00
Smith, Sarah, Mrs.	" "	1 "	100.00	100.00
Smith, George	" "	10 "	1,000.00	495.00
Copeland, E. M.	" "	5 "	500.00	500.00
Greenlees Bros.	Milton "	10 "	1,000.00	1,000.00
Kerr, John	" "	50 "	5,000.00	3,000.00

THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Waters, Wm.	Springbank, Ont.	10 shares	$ 1,000.00	1,000.00
Waters, Sarah	" "	10 "	1,000.00	1,000.00
McLaughlin, J. C.	Norval "	2 "	200.00	100.00
Sutherland, James	Holiday "	10 "	1,000.00	1,000.00
Darrah, Robert	Milton "	10 "	1,000.00	1,000.00
Scott, W. N.	" "	50 "	5,000.00	1,500.00
Daniels, Geo.	" "	5 "	500.00	200.00
Cheyne, Luther	Brampton "	5 "	500.00	100.00
McCann, Ed Jr.	Omagh "	10 "	1,000.00	100.00
Bell, Geo. A.	Lowville "	3 "	300.00	30.00
Powell, H. H.	" "	15 "	1,500.00	825.00
McCall, Hugh A.	Milton "	10 "	1,000.00	.....
Dewar, Duncan	" "	5 "	500.00	200.00
Stewart, Jno.	" "	5 "	500.00	250.00
Travers, W. R.	Toronto "	50 "	5,000.00	500.00
Hunter, John	Milton "	15 "	1,500.00	1,500.00
Ford, John A.	Omagh "	5 "	500.00	50.00
Sutherland, Robt.	Golspie "	5 "	500.00	500.00
Sutherland, Hugh	Holiday "	5 "	500.00	500.00
Elliot, William	Milton "	5 "	500.00	500.00
Irving, John	" "	5 "	500.00	50.00
Panton, William	" "	10 "	1,000.00	100.00
McLeod, John	" "	1 "	100.00	50.00
Scott, J. B.	" "	5 "	500.00	100.00
Mathews, Alex.	Guelph "	5 "	500.00	500.00
Brandon, J. S.	Milton "	5 "	500.00	.....
Lindsay, Wm. J.	Toronto "	50 "	5,000.00	500.00
Storey, Geo.	Milton "	50 "	5,000.00	5,000.00
Muir, Gertrude	Almonte "	5 "	500.00	500.00
MacDowall, Wm. S.	" "	5 "	500.00	500.00
McCuaig, Malcolm	Peveril, Que.	10 "	1,000.00	1,000.00
Cattanach, J. F.	North Lancaster, Ont.	2 "	200.00	200.00
McCuaig, Donald	Dalhousie Station, Que.	5 "	500.00	500.00
McDonald, P. D.	Bridge End "	2 "	200.00	200.00
Beaty, Wm. T.	Omagh "	50 "	5,000.00	5,000.00
Elliot, Dollie	Milton "	1 "	100.00	100.00
Foster, James	Moray "	10 "	1,000.00	1,000.00
McLachlin, Donald	Parkhill "	1 "	100.00	100.00
Augustine, W. A.	Arkona, Ont.	1 "	100.00	100.00
Foster, Joseph, Sr.	Greenway "	1 "	100.00	100.00
Kemp, D. C.	Hornby "	50 "	5,000.00	5,000.00
Bate, Joseph E.	Scotch Block "	50 "	5,000.00	5,000.00
Geer, Jennie B.	Milton "	50 "	5,000.00	.....
Hunter, William	Ashgrove "	25 "	2,500.00	2,500.00
Hunter, Thomas	Norval "	25 "	2,500.00	2,500.00
Elliott, J. W.	Milton "	5 "	500.00	100.00
Roper, J. P.	" "	1 "	100.00	100.00
Sproat, John	Mansewood "	100 "	1,000.00	1,000.00
Edmonstone, Jas.	Balaclava "	4 "	400.00	240.00
Gillies, Mary	Watford "	1 "	100.00	100.00
Thompson, Lizzie	" "	1 "	100.00	100.00
Sanders, Annie N.	Tillsonburg "	5 "	500.00	500.00
Saunders, Wm. H.	" "	5 "	500.00	250.00
Dewar, John	Milton "	5 "	500.00	.....
Sayers, Peter	Guelph "	10 "	1,000.00	.....
McDuffe, P. A.	Omagh "	10 "	1,000.00	1,000.00
Gastle, George	Milton "	10 "	1,000.00	1,000.00
Shortreed, Jno. H.	Mansewood "	5 "	500.00	500.00
McCallum, Finlay	Milton "	10 "	1,000.00	1,000.00
Scott, Mary Moore	" "	10 "	1,000.00	30.00
Scott, Flora	" "	10 "	1,000.00	100.00

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THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Ford, James	Boyne, Ont.	50 shares	$ 5,000.00	$ 200.00
Pell, John	Omagh, "	10 "	1,000.00	1,000.00
Aitkens, Thomas	Milton, "	25 "	2,500.00	2,500.00
Dixon, W. A.	" "	50 "	5,000.00	500.00
Whitney, W. P.	" "	1 "	100.00	100.00
Pearce, Edith E.	Springford, "	5 "	500.00	500.00
Bunt, Wm. T.	" "	2 "	200.00	60.00
Somerville, Wm.	St. Mary's, "	10 "	1,000.00	100.00
Moffatt, James	Kelso, "	10 "	1,000.00	1,000.00
Thompson, Geo. H.	Hornby, "	50 "	5,000.00	5,000.00
Emerson, Andrew	Zimmerman, "	50 "	5,000.00	500.00
Joyce, Clark	Mansewood, "	5 "	500.00	50.00
Dewar, W. F.	Milton, "	10 "	1,000.00	300.00
Joyce, Robt.	Mansewood, "	10 "	1,000.00	600.00
Bridgman, Burwell	Zimmerman, "	1 "	100.00	10.00
O'Hagan, James	Toronto, "	1 "	100.00	80.00
Murray, James	Mansewood, "	10 "	1,000.00	300.00
Galloway, Chas. E.	Milton, "	5 "	500.00	50.00
Robertson, Hugh	Martintown, "	5 "	500.00	500.00
Robertson, Duncan J.	" "	10 "	1,000.00	1,000.00
Moffat, James F.	" "	3 "	300.00	300.00
Ewing, Jas.	Eden Mills, "	5 "	500.00	500.00
Hollinrake, C. E.	Milton, "	5 "	500.00	300.00
Alderson, Thos.	Drumquin, "	5 "	500.00	50.00
Howden, Thomas	Milton, "	5 "	500.00	50.00
Coulson, John	Kilbride, "	25 "	2,500.00	450.00
Bowes, G. S.	Milton, "	2 "	200.00	200.00
Coulson, Wm. J.	Kilbride, "	5 "	500.00	50.00
Bradshaw, J. L.	Stratford, "	5 "	500.00	250.00
Wilson, Isabella	Edinburgh, Scot.	2 "	200.00	80.00
Robertson, Wm.	Hamilton, Ont.	5 "	500.00	500.00
Cruikshank, Anne	" "	10 "	1,000.00	1,000.00
Hume, John	Scotch Block, "	5 "	500.00	50.00
Andrews, Jos. W.	Milton, "	2 "	200.00	20.00
Shuert, Jane	" "	3 "	300.00	30.00
Stewart, Jno.	" "	10 "	1,000.00	100.00
Bell, George A.	Lowville, "	7 "	700.00	70.00
Ford, John F.	Omagh, "	50 "	5,000.00	1,000.00
Cox, Thomas	Milton, "	50 "	5,000.00	5,000.00
McDuffe, P. A.	Omagh, "	15 "	1,500.00	1,500.00
Kennedy, Wm. N.	Hornby, "	5 "	500.00	250.00
Powell, Hy. H.	Lowville, "	15 "	1,500.00	825.00
Pearce, Edith E.	Springford, "	5 "	500.00	500.00
Ross, Andrew J.	Nairn, "	1 "	100.00	60.00
McGregor, Chas. D.	Milton, "	5 "	500.00	150.00
Wilson, Hugh E.	Keyser, "	5 "	500.00	500.00
Kelly, P. J.	Stratford, "	10 "	1,000.00	100.00
Fraser, Edna S.	Surgoinsville, Tenn.	2 "	200.00	200.00
Handy, Lottie O. M.	" "	1 "	100.00	100.00
Handy, F. T.	" "	1 "	100.00	100.00
Roper, Jno. P.	Milton, Ont.	4 "	400.00	400.00
Darling, Robt. A.	Mansewood, "	5 "	500.00	50.00
Clements, Mathew	Milton, "	5 "	500.00	50.00
Denoon, Geo.	" "	20 "	2,000.00	2,000.00
Bridgman, Burwell	Zimmerman, "	4 "	400.00	75.00
Mowbray, Jno. W.	Camden East, "	6 "	600.00	600.00
Haydon, Jas. S.	Camden East, "	10 "	1,000.00	1,000.00
Ford, Edward	Omagh, "	15 "	1,500.00	150.00
Fox, Robert W.	Omagh, "	15 "	1,500.00	150.00
Ratz, John	Khiva, "	10 "	1,000.00	400.00

THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Johnson, Harry F.	Boyne, Ont.	2 shares	$ 200.00	20.00
Fox, Robert W.	Omagh "	10 "	1,000.00	100.00
Hamilton, Alice	Milton "	10 "	1,000.00	1,000.00
"	" "	10 "	1,000.00	100.00
Hume, Robert	" "	5 "	500.00	50.00
McLean, William	" "	5 "	500.00	50.00
McLean, Margaret D.	" "	10 "	1,000.00	1,000 00
Shortreed, Walter	" "	2 "	200.00	120.00
Ross, And. J.	Nairn "	3 "	300.00	300.00
Arnald, Agnes	Kingsville "	1 "	100.00	55.00
Chapman, H. H.	Brantford "	2 "	200.00	200.00
Amey, Elgin B.	Camden East "	10 "	1,000.00	1,000.00
Stover, Lewis H.	" "	4 "	400.00	400.00
Dickson, Alex.	" "	5 "	500.00	500.00
Stedman, N.	" "	4 "	400.00	400.00
Parrott, Herman H.	" "	5 "	500.00	500.00
Lynch, M. J.	Kingston "	4 "	400.00	400.00
Haydon, James A.	Camden East "	1 "	100.00	100.00
Osborn, Annie	Glenwilliams "	5 "	500.00	500.00
Sloan, W. J.	" "	1 "	100.00	100.00
Johnson, Caroline	Boyne "	5 "	500.00	250.00
Peddie, Jas. C.	Milton "	5 "	500.00	50.00
Porter, Alex.	Omagh "	15 "	1,500.00	150.00
Foster, H. A.	Lowville "	50 "	5,000.00	2,000.00
Gunby, Burdge	Kilbride "	20 "	2,000.00	70.00
Scott, Mary M.	Milton "	1 "	100.00	10.00
Walker, Wm. D.	" "	25 "	2,500.00	650.00
Downs, Edward W.	Drumquin "	5 "	500.00	50.00
Porter, Alex.	Omagh "	10 "	1,000.00	1,000.00
Cartwright, A.	Zimmerman "	50 "	5,000.00	2,775.00
Sinclair, W. G.	" "	2 "	200.00	120.00
Edmonstone, Jas.	Balaclava "	10 "	1,000.00	100.00
Ford, Edward	Omagh "	10 "	1,000.00	1,000.00
Ford, David F.	" "	10 "	1,000.00	500.00
Anderson, R. K.	Milton "	1 "	100.00	100.00
Grigg, Emma J.	New York N.Y	5 "	500.00	500.00
Brough, James	Springford Ont.	2 "	200.00	200.00
Brough, Ida L.	" "	2 "	200.00	200.00
Randall, Claretta	" "	5 "	500.00	150.00
Fuller, Eliat	Thornhill "	10 "	1,000.00	500.00
Smith, Mathew W.	" "	1 "	100.00	50.00
Sackrider, Chas.	Burgessville "	10 "	1,000.00	700.00
Allin, Jessee	Holbrook "	2 "	200.00	20.00
Topham, John	Burgessville "	2 "	200.00	200.00
Sutherland, Sarah	Leamington "	1 "	100.00	60.00
Ross, A. J.	Nairn "	5 "	500.00	500.00
Marshall, Jas.	Glasgow Scot.	15 "	1,500.00	1,500.00
Ferguson, George	" "	5 "	500.00	500.00
Murray, John	Embro "	10 "	1,000.00	1,000.00
Murray, George	" "	5 "	500.00	500.00
Lindsay, J. R.	Georgetown Ont.	5 "	500.00	500.00
McCullough, R. C.	" "	5 "	500.00	50.00
Bowman, Wm.	" "	5 "	500.00	500.00
Logie, James	Nassagaweya "	5 "	500.00	500.00
Peddie, John	Milton "	5 "	500.00	500.00
Peddie, James	" "	5 "	500.00	500.00
Wilson, Wm. G.	Ashgrove "	5 "	500.00	500.00
McCann, Rebecca	Omagh "	2 "	200.00	200.00
Griffin, Joshua H.	Burgessville "	2 "	200.00	20.00
Siple, R. A.	" "	5 "	500.00	50.00
Hoare, William	Glenwilliams "	10 "	1,000.00	325.00
Bennett, David H.	Zimmerman			

THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Scott. Alex. P.	Brampton.....Ont.	2 shares	$ 200.00	$ 20.00
Chapman, Jno. A.	Sandwich..... "	25 "	2,500.00	250.00
Brown, R. L.	Georgetown..... "	50 "	5,000.00	500.00
Edmonstone, Jas.	Balaclava..... "	4 "	400.00	240.00
Elliott, Robt. A.	Milton..... "	5 "	500.00	500.00
Laird, Geo.	Ashgrove..... "	10 "	1,000.00	500.00
Kennedy, G. A.	Milton..... "	10 "	1,000.00	100.00
McCallum, M.	Ashgrove..... "	2 "	200.00	100.00
Sinclair, D.	Freeman..... "	5 "	500.00	200.00
Cummins, A. C.	Burlington..... "	5 "	500.00	250.00
Bingham, Jno.	Georgetown..... "	1 "	100.00	10.00
Leslie, J. T.	Norval..... "	2 "	200.00	20.00
Southcott, J.	Grand Bend..... "	1 "	100.00	100.00
Burland, G. B.	Montreal.....Que.	150 "	15,000.00	2,000.00
Cartwright, Jno. A.	Zimmerman.....Ont.	10 "	1,000.00	1,000.00
Chisholm, L. W.	Limehouse..... "	1 "	100.00	40.00
Davis, C. G.	Freeman..... "	10 "	1,000.00	1,000.00
Stork, Ira A.	Mono Mills..... "	1 "	100.00	100.00
Richardson, T. W.	Glenwilliams..... "	10 "	1,000.00	100.00
Standish, J. L.	Esquesing..... "	1 "	100.00	10.00
Near, Frederick S.	Ballinafad..... "	3 "	300.00	30.00
Campbell, Donald.	" ..... "	3 "	300.00	30.00
Hoare, Sarah.	Glenwilliams..... "	4 "	400.00	400.00
Brown, John K.	Georgetown..... "	20 "	2,000.00	200.00
McDonald, John.	Acton..... "	2 "	200.00	110.00
McDonald, Alex.	" ..... "	3 "	300.00	30.00
Campbell, John.	Glenwilliams.... "	3 "	300.00	30.00
Stalker, John.	Acton..... "	2 "	200.00	200.00
Devean, Nathan M.	Toronto..... "	10 "	1,000.00	1,000.00
Devean, N. M.	" ..... "	190 "	19,000.00	19,000.00
Bowand, Bessie K.	Walkerton..... "	10 "	1,000.00	1,000.00
Thompson, David	" ..... "	20 "	2,000.00	1,880.00
Ford, Mary E.	Omagh..... "	2 "	200.00	200.00
Ford, Ida A.	" ..... "	5 "	500.00	500.00
Robinson, Margaret.	" ..... "	5 "	500.00	500.00
Gowan, Chas. W.	Ballymote..... "	1 "	100.00	100.00
Norris, Henry.	Alliston..... "	5 "	500.00	500.00
Elliott, Thomas.	Lowville..... "	10 "	1,000.00	1,000.00
Alwin, Chas. S.	Freeman..... "	10 "	1,000.00	500.00
Robinson, George.	Omagh..... "	10 "	1,000.00	1,000.00
Downs, Albert J.	Drumquin..... "	25 "	2,500.00	250.00
Sinclair, Wm. G.	Zimmerman..... "	50 "	5,000.01	2,775.00
Ford, D. Frank.	Omagh..... "	15 "	1,500.00	1,500.00
Tullis, Harry P.	Glasgow.....Scot.	5 "	500.00	350.00
Starret, Margaret J.	Glenwilliams.....Ont.	1 "	100.00	10.00
Simpson, Robert.	Kilbride..... "	10 "	1,000.00	1,000.00
Simpson, Mary Ann.	" ..... "	5 "	500.00	500.00
Phillip, Annie.	" ..... "	2 "	200.00	200.00
Bell, Robert.	Zimmerman..... "	10 "	1,000.00	1,000.00
Eaton, Allan.	Mt. Nemo..... "	100 "	10,000.00	7,500.00
Freeman, J. G.	Box Grove..... "	3 "	300.00	200.00
Newman, R. A.	Detroit.....Mich.	50 "	5,000.00	5,000.00
Freeman, Helen.	Box Grove.....Ont.	10 "	1,000.00	100.00
Thompson, Agnes.	Terra Cotta..... "	14 "	1,400.00	1,100.00
MacMillan, Harriet L.	Westmount.....Que.	5 "	500.00	500.00
Rae, James.	Malcolm.....Ont.	10 "	1,000.00	1,000.00
Rae, Alexander.	" ..... "	10 "	1,000.00	1,000.00
Rae, Betsy.	" ..... "	10 "	1,000.00	1,000.00
Findlay, Robert.	" ..... "	3 "	300.00	300.00
Macdonald, John.	Markham..... "	5 "	500.00	500.00
Meyer, Pauline V.	Toronto..... "	10 "	1,000.00	500.00

THE FARMER'S BANK OF CANADA

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Pfister, John	Toronto.....Ont.	10 shares	$ 1,000.00	$ 500.00
Sinclair, Grant W	Zimmerman..... "	10 "	1,000.00	500.00
Krupp, Samuel	Caro.....Mich.	4 "	400.00	40.00
Shreve, Mary L	" ..... "	2 "	200.00	120.00
McClure, Samuel	Glenwilliams.....Ont.	5 "	500.00	225.00
Cook, Thomas	Ballinafad..... "	1 "	100.00	10.00
Tolton, James	Walkerton..... "	5 "	500.00	250.00
Little, John D	" ..... "	10 "	1,000.00	500.00
Robb, Elsie	St. George..... "	5 "	500.00	50.00
Robb, William	" ..... "	20 "	2,000.00	400.00
McKechnie, John	Ballinafad..... "	1 "	100.00	100.00
Morrison, Alfred	Ashgrove..... "	1 "	100.00	10.00
Morrison, Hugh	" ..... "	5 "	500.00	50.00
Near, Martin L	Erin..... "	10 "	1,000.00	100.00
Hanna, William	" ..... "	2 "	200.00	200.00
Murray, George	St. Andrews.....Scot.	5 "	500.00	500.00
Thompson, Elizabeth	Ballinafad.....Ont.	15 "	1,500.00	1,100.00
Wait, Christina	St. George..... "	10 "	1,000.00	1,000.00
Sager, Sarah	" ..... "	10 "	1,000.00	1,000.00
Appleyard, Thos. E	Georgetown..... "	1 "	100.00	100.00
Appleyard, Albert	" ..... "	1 "	100.00	100.00
Curry, Eliza R	Esquesing..... "	1 "	100.00	100.00
Denny, Jos. H	Ballinafad..... "	5 "	500.00	50.00
Kennedy, Paul S	Acton..... "	2 "	200.00	20.00
Arkell, Peter	Teeswater..... "	1 "	100.00	60.00
Wharton, Miss E	" ..... "	3 "	300.00	.....
Thomson, Malcolm	Walkerton..... "	5 "	500.00	500.00
Allin, Jessee	Holbrook..... "	5 "	500.00	50.00
Allin, Hiram	Ostrander..... "	5 "	500.00	200.00
Allin, Nellie	" ..... "	5 "	500.00	200.00
Clement, Ethel P	Burgessville..... "	1 "	100.00	50.00
Topham, John	" ..... "	1 "	100.00	50.00
Corless, John G	" ..... "	1 "	100.00	10.00
Burgess, Charles E	" ..... "	1 "	100.00	10.00
Burwell, Matilda	London..... "	6 "	600.00	600.00
Burwell, Edward	" ..... "	10 "	1,000.00	1,000.00
Baskett, Sarah	Ballymote..... "	1 "	100.00	100.00
Greene, Arthur E	St. George..... "	4 "	400.00	280.00
Kennedy, Thos. W	Acton West..... "	1 "	100.00	10.00
Denny, Margaret	Ballinafad..... "	5 "	500.00	50.00
Watson, John	Acton West..... "	5 "	500.00	50.00
Lindsay, Niman F	" ..... "	5 "	500.00	50.00
Harris, William	Milton..... "	5 "	500.00	500.00
Ainslie, Mathew F	Drumbo..... "	2 "	200.00	200.00
Ainslie, Mary J	" ..... "	2 "	200.00	200.00
Golding, Henry	Ingersoll..... "	10 "	1,000.00	1,000.00
Kinney, Lewis P	Drumbo..... "	4 "	400.00	40.00
Weir, Andrew	Masonville..... "	2 "	200.00	20.00
Appleyard, Albert, Sr.	Georgetown..... "	5 "	500.00	500.00
Lindsay, Jessie E	" ..... "	1 "	100.00	100.00
Gillson, Thos	Masonville..... "	5 "	500.00	500.00
Monkman, John A	Toronto..... "	6 "	600.00	600.00
Collins, Sophronia	St. George..... "	1 "	100.00	100.00
Coulson, John	Hornby..... "	1 "	100.00	100.00
Stafford, William	Wallacetown..... "	2 "	200.00	80.00
Bobier, Alfred F	Port Talbot..... "	2 "	200.00	200.00
Telford, John	Wallacetown..... "	2 "	200.00	200.00
Barber, Jessie	Fingal..... "	2 "	200.00	.....
Turner, James	" ..... "	1 "	100.00	10.00
Fulton, Velma	" ..... "	1 "	100.00	.....
Garbutt, Robt. G	Wallacetown..... "	1 "	100.00	.....

THE FARMERS BANK OF CANADA

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Page, William	Fingal, Ont.	1 shares	$ 100.00	.....
Tubby, E. H	" "	1 "	100.00	$ 100.00
Edmonds, Geo	" "	1 "	100.00	.....
Koehler, Ed	Tyrconnell "	1 "	100.00	40.00
Crane, James W	Wallacetown "	1 "	100.00	.....
Brush, Herschel D	Fingal "	1 "	100.00	50.00
Casey, Thomas	" "	1 "	100.00	.....
Cameron, John A	Wallacetown "	1 "	100.00	10.00
Stevenson, W. E	Fingal "	1 "	100.00	.....
Docker, Anna F	Wallacetown "	3 "	300.00	300.00
Barnum, Wm. H	Dutton "	1 "	100.00	40.00
Bobier, James	Wallacetown "	1 "	100.00	100.00
Clay, Cleve B	" "	1 "	100.00	10.00
Watkins, James	Port Talbot "	1 "	100.00	100.00
Fitch, William	" "	1 "	100.00	100.00
Burwell, Samuel E	Fingal "	2 "	200.00	200.00
Barnes, Martha	Ash "	1 "	100.00	100.00
Husband, Geo. E	" "	10 "	1,000.00	100.00
Horn, Thomas	" "	1 "	100.00	10.00
Husband, Robt. W	" "	10 "	1,000.00	100.00
Witham, S. F	Brantford "	20 "	2,000.00	200.00
Shaver, Wm. J	Toronto "	20 "	2,000.00	2 000.00
Shaver, A. Rolph	" "	10 "	1,000.00	1,000.00
Hoover, A. H	" "	50 "	5,000.00	.....
Graham, W. A	Wallacetown "	1 "	100.00	30.00
Bobier, R	Pt. Talbot "	1 "	100.00	100.00
Dromyole, H	Wallacetown "	1 "	100.00	.....
Bobier, Joseph	Dutton "	5 "	500.00	500.00
Heeks, Henry	Palermo "	10 "	1,000.00	100.00
Foster, Thomas	Brantford "	3 "	300.00	60.00
Hazell, Horace	Hamilton "	5 "	500.00	50.00
Irving, W. A	Tansley "	5 "	500.00	50.00
Townsend, Josiah	Terra Cotta "	1 "	100.00	100.00
Nixon, John F	Ashgrove "	2 "	200.00	200.00
McKerlie, Marshall	Pt. Nelson "	40 "	4,000.00	4,000.00
Hartmann Chas. H	Hamilton "	2 "	200.00	20.00
Gow, Peter	Wallacetown "	1 "	100.00	30.00
Bobier, David	Pt. Talbot "	2 "	200.00	200.00
Garner, Thomas	Palermo "	5 "	500.00	50.00
Burtch, David	" "	4 "	400.00	400.00
Burtch, Mary J	" "	2 "	200.00	200.00
Dearling, John	" "	1 "	100.00	10.00
Kirkpatrick, Wm	Burgessville "	1 "	100.00	10.00
Thompson, Annie S	Ashgrove "	2 "	200.00	200.00
Morrison, Loretta	" "	2 "	200.00	200.00
Lindsey, W. J	Toronto "	500 "	50,000.00	5,000.00
McKae, Geo	Wallacetown "	1 "	100.00	100.00
Blue, Dugald	" "	1 "	100.00	.....
McGeachy, John A	Iona "	4 "	400.00	400.00
Patterson, Lewis	Palermo "	3 "	300.00	300.00
Alexander, John	" "	8 "	800.00	800.00
Wood, Will S	" "	1 "	100.00	100.00
Wilkinson, Geo. H	" "	1 "	100.00	50.00
Bennett, W. J	Dundas "	5 "	500.00	150.00
McCallum, Dugald	Adrian "	2 "	200.00	200.00
Church, Ephraim	Iona "	1 "	100.00	100.00
Preston, Bert C	Armada "	5 "	500.00	500.00
Wettlaufer, J. B. R	Palermo "	2 "	200.00	20.00
Brush, Herschel D	Fingal "	1 "	100.00	60.00
Bobier, Sarah J	Pt. Talbot "	1 "	100.00	100.00

THE FARMERS BANK OF CANADA

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	NO. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Edmonds, Geo. or Cora or survivor	Fingal.....Ont.	1 shares	$ 100.00	$ 100.00
Turner, Frank E.	Bracondale..... "	10 "	1,000.00	.....
McCallum, Dugald.	Adrian.....Mich.	1 "	100.00	100.00
Taylor, George E.	Paris Station.....Ont.	5 "	500.00	50.00
Bobier, Harry.	Pt. Talbot..... "	1 "	100.00	100.00
McIntyre, Duncan.	Fingal..... "	1 "	100.00	100.00
Anderson, Martha.	" ..... "	2 "	200.00	20.00
Bobier, A. F.	Pt. Talbot..... "	3 "	300.00	300.00
Edmonds, Geo. or Cora.	Fingal..... "	3 "	300.00	
Casey, Thomas.	" ..... "	1 "	100.00	
McIntyre, Donald.	Boxall..... "	2 "	200.00	
Mitchell, Thomas.	Ash..... "	1 "	100.00	10.00
Newman, Walter T.	Vancouver.....B.C.	5 "	500.00	50.00
Burwell, Edward.	London.....Ont.	90 "	9,000.00	9,000.00
McIntyre, Colvin A.	Fingal..... "	2 "	200.00	20.00
Bobier, Sarah J.	Pt. Talbot..... "	1 "	100.00	100.00
Strong, George.	Wallacetown..... "	1 "	100.00	10.00
Bobier, Hattie.	Pt. Talbot..... "	5 "	500.00	500.00
Davison, Mathew.	Flint.....Mich.	50 "	5,000.00	
Smith, Flint P.	" ..... "	50 "	5,000.00	
Cook, Edward.	Leamington.....Ont.	3 "	300.00	30.00
Cook, Richard.	" ..... "	2 "	200.00	20.00
Walker, Peter M.	Milton..... "	1 "	100.00	
Stewart, Niel.	" ..... "	25 "	2,500.00	
Murray, James.	Mansewood..... "	25 "	2,500.00	
Hirst, Edward.	Campbellville..... "	10 "	1,000.00	1,000.00
Cunningham, Lizzie.	Hornby..... "	3 "	300.00	300.00
Coulson, Maggie.	" ..... "	1 "	100.00	100.00
Elsley, Chas. A.	Campbellville..... "	5 "	500.00	250.00
Menzie, R. L.	Kelso..... "	1 "	100.00	100.00
Menzie, William.	" ..... "	1 "	100.00	50.00
Weir, Eliza A.	" ..... "	5 "	500.00	500.00
Cairns, Samuel.	Campbellville..... "	2 "	200.00	200.00
Miller, John.	Leamington..... "	5 "	500.00	500.00
Sprowl, Mrs. Wm.	Acton..... "	3 "	300.00	300.00
Sprowl, William.	" ..... "	3 "	300.00	300.00
Hanley, John.	Milton..... "	1 "	100.00	100.00
Honeywill, E. H.	Ballinafad..... "	25 "	2,500.00	2,500.00
McClure, Samuel.	Glenwilliams..... "	5 "	500.00	225.00
Stair, Fred W.	Toronto..... "	100 "	10,000.00	1,000.00
Bastedo, Ida A.	Milton..... "	5 "	500.00	50.00
Haist, Aaron Y.	Stratford..... "	4 "	400.00	400.00
Ford, James.	Omagh..... "	2 "	200.00	20.00
Snelgrove, E. W.	Brighton..... "	10 "	1,000.00	1,000.00
Symons, W. L.	Toronto..... "	10 "	1,000.00	100.00
Patterson, Ernest.	Palermo..... "	1 "	100.00	25.00
Beaty, Ella M.	Milton..... "	2 "	200.00	20.00
Bobier, Jos. or Jane.	Dutton..... "	5 "	500.00	500.00
Dewar, John.	Fingal..... "	1 "	100.00	
McCurdy, Robert.	Hornby..... "	1 "	100.00	100.00
Brill, S. R.	Teeswater..... "	2 "	200.00	200.00
Davidson, J. A.	Milton..... "	1 "	100.00	
Campbell, A.	Mountsberg..... "	2 "	200.00	50.00
Beattie, M.	Campbellville..... "	5 "	500.00	
Nesbitt, William B.	Toronto..... "	100 "	10,000.00	3,000.00
Lown, A. S.	" ..... "	1 "	100.00	10.00
Hunter, W. H.	" ..... "	1 "	100.00	10.00
Macorquodale, D. S.	" ..... "	1 "	100.00	
Wood, W. R.	" ..... "	1 "	100.00	10.00
Macorquodale, B. E.	" ..... "	1 "	100.00	

THE FARMERS BANK OF CANADA

LIST OF SHAREHOLDERS—*Continued.*

NAME	RESIDENCE	No. SHARES SUBSCRIBED FOR	AMOUNT SUBSCRIBED	AMOUNT PAID
Macorquodale, F. D.	Toronto.....Ont.	1 shares	$ 100.00	.....
Parmenter, L. S.	Flushing.....N.Y.	1 "	100.00	$ 30.00
FitzGibbon, J. G.	Toronto.....Ont.	1 "	100.00	.....
Latch, Emma	" "	8 "	800.00	800.00
Wilson, Maggie E.	" "	5 "	500.00	500.00
Gallagher, James	" "	1 "	100.00	10.00
Thomas, A. Wm.	" "	10 "	1,000.00	.....
Luxton, A. G. H.	Milton..... "	10 "	1,000.00	.....
Bradley, A,B.	Georgetown..... "	10 "	1,000.00	.....
Linton, Adam	Guelph ..... "	10 "	1,000.00	100.00
Richardson, George	Toronto..... "	1 "	100.00	10.00
Mitchell, J. W.	Toronto..... "	1 "	100.00	.....
Gilchrist, John	Toronto..... "	30 "	3,000.00	3,000.00

N.B.—Of the foregoing the following were received subsequent to October 22nd, 1906:—

NAME	RESIDENCE	No. SHARES	AMOUNT	AMOUNT PAID
Latch, Emma	Toronto, Ont.	8	$ 800.00	$ 800.00
Linton, Adam	Guelph, Ont.	10	1,000.00	100.00
Wilson, Maggie E.	Toronto, Ont.	5	500.00	500.00
Gallagher, James	Toronto, Ont.	1	100.00	10.00
Thomas, A. W.	Toronto, Ont.	10	1,000.00	.....
Richardson, George	Toronto, Ont.	1	100.00	10.00

The foregoing is certified to be a true copy of the share list of the Farmers Bank of Canada.

(Sgd.) W. R. TRAVERS,

General Manager.

EXHIBIT 18.

Copy of Stock subscription book of Farmers Bank. Original returned to G. T. Clarkson.

THE FARMERS BANK OF CANADA

List of Shareholders on list sent to the Treasury Board, when application for Certificate was made, who allege fraud

NAME	ADDRESS	NO OF SHARES
Aitkens, Thos.	Milton	25 shares
Andrews, J. W.	"	2 "
Arnald, A.	Kingsville	3 "
Amey, E. B.	Camden East	2 "
Anderson, R. K.	Milton	10 "
Appleyard, T. E.	Georgetown	1 "
Appleyard, Albt., Jr.	"	1 "
Arkell, Peter	Teeswater	1 "
Allin, Hiram	Ostrander	5 "
Allin, Nellie	"	5 "
Appleyard, Albert, Sr	Georgetown	5 "
Alexander, John	Palermo	8 "
Brimblecomb, Wm.	Drayton	5 "
Bell, Geo. A.	Lowville	3 "
Bell, Geo. A.	"	7 "
Bate, Jos. E.	Scotch Block	50 "
Bridgman, B.	Zimmerman	1 "
Bridgman, B.	"	4 "
Bowes, G. S.	Milton	2 "
Bradshaw, J. L.	Stratford	5 "
Brough, Jas.	Springford	5 "
Brough, Ida L.	"	2 "
Bowman, Wm.	Georgetown	5 "
Bennett, D. H.	Zimmerman	10 "
Brown, R. L.	Georgetown	50 "
Burwell, S. E.	Fingal	2 "
Bobier, Jos.	Dutton	5 "
Burtch, Mary J.	Palermo	2 "
Blue, D.	Wallacetown	1 "
Bobier, Sarah J.	Pt. Talbot	1 "
Bobier, Harry	"	1 "
Bobier, Sarah J.	"	1 "
Bobier, Jos. or Jane	Dutton	5 "
Barnum, W. E.	"	1 "
Bobier, Jas.	Wallacetown	1 "
Brown, Jno. K.	Georgetown	20 "
Cook, Thos.	Ballinafad	1 "
Curry, Eliza R.	Esquesing	1 "
Corless, J. G.	Burgessville	1 "
Crane, J. W.	Wallacetown	1 "
Clay, C. B.	"	1 "
Cook, Ed.	Leamington	3 "
Cairns, S.	Campbellville	2 "
Cunningham, H.	Drayton	5 "
Corbitt, R. H.	Rothsay	10 "
Cook, John C.	Norval	5 "
Cheyne, L.	Brampton	5 "
Cattanach, J. F.	N. Lancaster	2 "
Coulson, Jno.	Kilbride	25 "
Coulson, W. J.	"	5 "
Coxe, Thos.	Milton	50 "
Campbell, D.	Ballinafad	3 "
Campbell, John.	Glenwilliams	3 "

Name	Address	No. of Shares
Cartwright, A.	Zimmerman	10 shares
Cartwright, Jno. A.	"	10 "
Chisholm, L. W.	Limehouse	1 "
Cummins, A. C.	Burlington	5 "
Clements, M.	Milton	5 "
Dowling, John J.	Drayton	1 "
Davidson, Mrs. E.	"	10 "
Day, E. H.	Norval	3 "
Deese, D. E. (Seese)	Finch	5 "
Dewar, W. F.	Milton	10 "
Darling, R. A.	Mansewood	5 "
Denoon, G.	Milton	20 "
Downs, E. W.	Drumquin	25 "
Downs, Albert J.	"	25 "
Docker, Mrs. A. F.	Wallacetown	3 "
Dromoyle, H.	"	1 "
Dearling, John	Palermo	1 "
Dewar, John.	Fingal	1 "
Elsley, C. A.	Campbellville	5 "
Ellis, George	Drayton	5 "
Early, H. J.	Norval	6 "
Eccles, John.	Glenwilliams	10 "
Elliott, Wm.	Milton	5 "
Elliott, Dollie	"	1 "
Elliott, J. W.	"	5 "
Emerson, Andrew	Zimmerman	50 "
Ewing, Jas. (Erwin	Eden Mills	5 "
Eaton, Allan	Mt. Nemo	100 "
Edmonds, Geo. or Cora	Fingal	1 "
Edmonds, Geo. or Cora	"	3 "
Ford, Jas.	Boyne	50 "
Foster, H. A	Lowville	15 "
Ford, Ed.	Omagh	15 "
Ford, D. F.	"	10 "
Fuller, E.	Thornhill	5 "
Ferguson, George	Glasgow, Scotland	15 "
Ford, Mary E.	Omagh	2 "
Ford, Ida A.	"	5 "
Fitch, Wm.	Pt. Talbot	1 "
Ford, Jas.	Omagh	2 "
Fraser, Edna S.	Surgoinsville, Tenn.	2 "
Ford, Jno. A.	Omagh	5 "
Ford, J. F.	"	50 "
Fox, R. W.	"	15 "
Gibb, H. C.	Drayton	2 "
Groves, A.	Fergus	100 "
Geddes, W. J.	Embro	10 "
Green, C. J.	Kingsville	2 "
Greenlees Bros.	Milton	10 "
Gillies, Mary	Watford	1 "
Galloway, C. E.	Milton	5 "
Gunby, B.	Kilbride	50 "
Grigg, Emma J.	New York	1 "
Garbutt, Robert G.	Wallacetown	1 "
Gow, P.	"	1 "
Garner, Thos.	Palermo	5 "
Hunter, Wm.	Ashgrove	25 "
Hollinrake, C. E.	Milton	5 "
Handy, Lottie O. M.	Surgoinville	1 "
Hunter, Jno.	Norval	1 "
Haseltine, W. H.	Rothsay	10 "
Hunter, Francis	Norval	10 "
Handy, F. T.	Surgoinsville	1 "
Hamilton, Mrs. Alice	Milton	10 "
Hume, Robert	"	10 "
Hoare, Wm.	Glenwilliams	5 "

NAME	DDRESS	No. OF SHARES
Hoare, Sarah	Gleuwilliams	4 Shares
Husband, Geo. E	Ash	10 "
Hunter, W. H	Toronto	1 "
Horn, Thos	Ash	1 "
Heeks, H	Palermo	10 "
Hazell, H	Hamilton	5 "
Hotson, A	Parkhill	15 "
Hunter, Jno	Milton	15 "
Irving, John	Milton	5 "
Johnston, Jas	Winfield	2 "
Joyce, Robt	Mansewood	10 "
Johnson, H. F	Boyne	2 "
Kerr, John	Milton	50 "
Kemp, D. C	Hornby	50 "
Kelly, P. J	Stratford	10 "
Kennedy, G. A	Milton	10 "
Kennedy, T. W	Acton West	1 "
Koehler, E	Tyrconnell	1 "
Little, J. D	Walkerton	10 "
Logie, Jas	Nassagaweya	5 "
Lindsay, J. R	Georgetown	5 "
Laing, Helen	Drayton	10 "
Lathrop, F. E	Armeda, Mich	10 "
Leslie, Matilda	Georgetown	5 "
Latch, Emma	Toronto	8 "
Linton, Adam	Guelph	10 "
Mowbray, Jno. W	Camden East	6 "
Murray, John	Embro	5 "
Murray, Geo	"	10 "
Morrison, A	Ashgrove	1 "
Morrison, Loretta	"	2 "
Menzie, R. L	Kelso	1 "
Menzie, Wm	"	1 "
Miller, John	Leamington	5 "
Mayne, Ellen	Stirton	2 "
Morse, G. A	Leamington	5 "
McKay, Alex	Holiday	5 "
McLeod, Jno	Milton	1 "
McCuaig, M	Peveril	10 "
McCuaig, D. N	Dalhousie Station	5 "
McCallum, F	Milton	10 "
McLean, Wm	"	5 "
McLean, Mrs. Margaret D	"	5 "
McCullough, R. C	Georgetown	5 "
McCann, Rebecca	Omagh	5 "
McCallum, M	Ashgrove	2 "
McDonald, Jno	Acton	2 "
McDonald, Alex	"	3 "
McKerlie, M	Pt. Nelson	40 "
McCallum, Dugald	Adrian, Mich	2 "
Powell, H. H	Lowville	15 "
Pell, John	Omagh	10 "
Parrott, H. H	Camden East	4 "
Peddie, J. C	Milton	5 "
Peddie, John	"	5 "
Phillip, Annie	Kilbride	2 "
Page, Wm	Fingal	1 "
Preston, B. C	Armada	5 "
Ritch, Wm	Drayton	2 "
Rose, And. J	Nairn	1 "
Roper, J. P	Milton	4 "
Ratz, Jno	Khiva	10 "
Rose, And. J	Nairn	2 "
Rose, And. J	"	1 "
Richardson, T. W	Glenwilliams	10 "
Robinson, Margaret	Omagh	5 "

Name	Address	No. of Shares
Rae, Jas.	Malcolm	10 Shares
Rae, Alex.	"	10 "
Robb, Elsie	St. George	5 "
Roper, J. P.	Milton	1 "
Sprowl, Wm.	Acton	3 "
Sprowl, Mrs. Wm.	"	3 "
Stewart, Neil	Milton	25 "
Stafford, Wm.	Wallacetown	2 "
Snelgrove, E. W.	Brighton	10 "
Simpson, G. A.	Leamington	10 "
Samson, Jas.	Windsor	5 "
Sykes, A.	Glenwilliams	10 "
Smith, A. E.	Parkhill	4 "
Smith, Mrs. Sarah	Arkona	1 "
Smith, Geo.	"	10 "
Scott, W. N.	Milton	50 "
Saunders, Annie N.	Tilsonburg	5 "
Saunders, Wm. H.	"	5 "
Sayers, Peter	Guelph	10 "
Scott, Mary M.	Milton	10 "
Scott, Mary M.	"	20 "
Scott, Flora	"	10 "
Somerville, Wm.	St. Mary's	10 "
Shortreed, Walter	Milton	10 "
Stover, L. H.	Camden East	10 "
Stedman, N.	"	5 "
Sloan, W. J.	Glenwilliams	5 "
Sinclair, W. G.	Zimmerman	50 "
Sackrider, Chas	Burgessville	1 "
Sutherland, Mrs. Sarah	Leamington	2 "
Siple, R. A.	Burgessville	2 "
Scott, Alex. P.	Brampton	2 "
Stevens, F. B.	Detroit	20 "
Sutherland, R.	Golspie	5 "
Sutherland, R.	"	5 "
Sutherland, M.	"	5 "
Sinclair, D.	Freeman	5 "
Stork, Ira A.	Mono Mills	1 "
Standish, J. L.	Esquesing	1 "
Stalker, Jno.	Acton	2 "
Sinclair, W. G.	Zimmerman	50 "
Starret, Margaret J.	Glenwilliams	1 "
Simpson, Robt.	Kilbride	10 "
Sinclair, G. W.	Zimmerman	10 "
Thompson, Lizzie	Watford	1 "
Topham, Jno.	Burgessville	2 "
Topham, Jno.	"	1 "
Thompson, David	Walkerton	20 "
Tullis, H. P.	Glasgow, Scot.	5 "
Tolton, James	Walkerton	5 "
Thompson, Malcolm	"	5 "
Telford, Jno.	Wallacetown	2 "
Townsend, Josiah	Terra Cotta	1 "
Thompson, Annie S.	Ashgrove	2 "
Taylor, Geo. E.	Paris Stn.	5 "
Tucker, Geo.	Bosworth	2 "
Wilson, Wm. & H.	Rothsay	2 "
Whyte, John	Drayton	1 "
Woodisse Bros.	Rothsay	10 "
White Chas.	Drayton	5 "
Wilson, Maggie E.	Toronto	5 "

EXHIBIT 19.

Copy of stock subscription book of the Farmers Bank alphabetically arranged. Original in hands of G. T. Clarkson.

		Application	Shares	Amt.	Allotted	PAYMENTS				T. & G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Armstrong, R. W.	Bracebridge	Mar. 26/06	1	100	Apl. 30/06	50						
Anthony, F. W.	Norval	Apl. 4/06	1	100	Apl. 30/06	10		90				
Adams, Benj.	Finch	Apl. 7/06	5	500	Apl. 30/06	500						
Augustine, W. A.	Arkona	May 4/06	1	100	May 15/06	100						
Aitkens, Thos.	Milton	May 16/06	25	2500	May 22/06			2500		2500	15-Apl. 17/07	
Anderson, T.	Drumquin	May 26/06	5	500	June 6/06	50		450			5 Oct. 20/09	
Andrews, J. W.	Milton	May 29/06	2	200	June 6/06	20		180				
Arnald, A.	Kingsville	June 9/06	3	300	July 1/06	300						
Amey, E. B.	Camden East	June 2/06	2	200	July 4/06	200						
Anderson, R. K.	Milton	May 20/06	10	1000	July 4/06	300						
Allin, Jesse	Holbrook	June 21/06	10	1000	July 4/06	100		900	600			
Alwin, C. S.	Freeman	July 7/06	10	1000	July 9/06			1000		500	10-Dec. 15/07	
Appleyard, T. E.	Georgetown	July 26/06	1	100	July 31/06	100						
Appleyard, Albt.	Georgetown	July 26/06	1	100	July 31/06	100						
Arkell, Peter	Teeswater	July 25/06	1	100	July 31/06	60						
Allin, Jesse Mrs.	Holbrook	July 20/06	5	500	July 31/06	50		450				
Allin, Hiram	Ostrander		5	500	July 31/06	200		300				
Allin, Nellie	Ostrander		5	500	July 31/06	200		300				
Ainslie, M. F.	Drumbo	Aug. 2/06	2	200	Aug. 13/06	200						
Ainslie, Mary J.	Drumbo	Aug. 2/06	2	200	Aug. 13/06	200						
Appleyard, Albert Sr.	Georgetown	July 26/06	5	500	Aug. 13/06	500						
Alexander, John	Palermo	Aug. 23/06	8	800	Sept. 5/06	800						
Anderson, Martha	Fingal	Sept. 10/06	2	200	Sept. 24/06	20						
Brimbleconb, Wm.	Drayton	Aug. 16/04	5	500	Dec. 23/04	25						
Brand, C. A.	Embro	Sept. 30/05	5	500	Nov. 7/05	500						
Brown, J. G.	Humber Bay	Mar. 31/06	2	200	Apr. 30/06	200						
Barnhill, John	Norval	" 31/06	2	200	" 30/06	200						
Bowley, Jas.	Strathroy	Apr 28/06	10	1000	" 30/06	500					10-Nov. 17/09	
Bell, Geo. A.	Lowville	May 5/06	3	300	May 15/06	30		270				
Bell, Geo. A.	Lowville	" 30/06	7	700	June 6/06	70		630				
Brandon, J. S.	Milton	" 7/06	5	500	May 15/06							

		Application	Shares	Amt.	Allotted	PAYMENTS				T. & G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Beaty, Wm. T.	Omagh	May 9/06	50	5000	May 15/06			5000		5000	30-Apr. 17/07	
Bate, Jos. E.	Scotch Block	" 11/06	50	5000	" 15/06			5000		5000	30-Apr. 17/07	
Bunt, W. T.	Springford	" 14/06	2	200	" 22/06	20		180	40			
Bridgman, B.	Zimmerman	" 22/06	1	100	" 22/06	45		360				
Bridgman, B.	Zimmerman	" 31/06	4	400	June 6/06	40						
Bowes, G. S.	Milton	" 26/06	2	200	" 6/06			200	200			
Bradshaw, J. L.	Stratford	" 26/06	5	500	" 6/06	250						
Brough, Jas.	Springford	" 15/05	5	500	July 4/06	500						
Brough, Ida L.	Springford	June 15/05	2	200	July 4/06	200						
Bowman, Wm.	Georgetown	" 27/06	5	500	" 4/06	50		450				
Bennett, D. H.	Zimmerman	" 22/06	10	1000	" 4/06	100	125 azc N.	900	100	(See also paid by securities)		
Brown, R. L.	Georgetown	" 27/06	50	5000	" 4/06			5000	500			
Bingham, John	Georgetown	" 28/06	1	100	" 4/06	10		90				
Burland, G. B.	Montreal	" 27/06	150	15000	" 4/06	2000						
Brown, Jno. K.	Georgetown	July 2/06	20	2000	" 9/06	200		1800				
Bowand, Bessie K. (Rowand)	Walkerton	" 10/06	10	1000	" 9/06	1000						
Bell, Robert	Zimmerman	" 10/06	10	1000	" 12/06			1000		1000	10-Apr. 17/07	
Burgess, C. E.	Burgessville	" 28/06	1	100	" 31/06			100				
Burwell, Matilda	London	" 30/06	6	600	" 31/06	600						
Burwell, Edward	"	" 30/06	10	1000	" 31/06	1000						
Baskett, Sarah	Ballymote	" 31/06	1	100	" 31/06	100						
Bobier, A. F.	Pt. Talbot	" 27/06	2	200	Aug. 13/06	200						
Barbet, Jessie	Fingal	" 3/06	2	200	" 13/06							
Brush, H. D.	"	" 30/06	1	100	" 13/06	100						
Barnum, W. E.	Dutton	Aug. 1/06	1	100	" 13/06	40						
Bobier, Jas.	Wallacetown	" 1/06	1	100	" 13/06	100						
Burwell, S. E.	Fingal	July 25/06	2	200	" 13/06	200						
Barnes, Martha	Ash	Aug. 8/06	1	100	" 13/06	100						
Bobier, R.	Pt. Talbot	" 9/06	1	100	" 13/06	100						
Bobier, Jos.	Dutton	" 11/06	5	500	" 21/06	500						
Bobier, David	Pt. Talbot	" 14/06	2	200	" 21/06	200						
Burtch, David	Palermo	" 17/06	4	400	" 21/06	400						
Burtch, Mary J.	"	" 17/06	2	200	" 21/06	200						
Blue, D.	Wallacetown	" 18/06	1	100	" 21/06							
Bennett, W. J.	Dundas	" 25/06	5	500	Sept. 5/06	150						

		Application	Shares	Amt.	Allotted	PAYMENTS				T. & G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Brash, H. D.	Fingal	Aug. 29/06	1	100	Sept. 5/06	10						
Bobier, Sarah J.	Pt. Talbot	Sept. 1/06	1	100	" 5/06	100						
Bobier, Harry	"	" 7/06	1	100	" 21/06	100						
Bobier, A. F.	"	" 10/06	3	300	" 21/06	300						
Burwell, E.	London	" 11/06	90	9000	" 21/06	9000						
Bobier, Sarah J.	Pt. Talbot	" 18/06	1	100	" 21/06	100						
Bobier, Hattie	"	" 21/06	5	500	" 21/06	500						
Bastedo, I. A.	Milton	Oct. 8/06	5	500	Oct. 26/06	50						
Beaty, Ella M.	"	" 8/06	2	200	" 26/06					20	1-Dec. 18/07	
Bobier Jos. or Jane	Dutton	" 8/06	5	500	" 26/06	500						
Brill, S. R.	Teeswater	Apr. 18/06	2	200	" 26/06	200						
Battie, M.	Campbellville	Undated	5	500	" 26/06						5-Mar. 18/08	
Bradley, A. B	Georgetown	Oct. 22/06	10	1000	Nov. 24/06						10-Apr. 17/07	
Cook, Thos.	Ballinafad	July 18/06	1	100	July 23/06	10		90				
Curry, Eliza R.	Esquesing	" 26/06	1	100	" 31/06	10		90	90			
Clement, E. P.	Burgessville	" 27/06	1	100	" 31/06	50		50				
Corless, J. G.	"	" 27/06	1	100	" 31/06	10		90				
Collins, Sophonia	St. George	Aug. 7/06	1	100	Aug. 13/06	100						
Coulson, John	Hornby	" 6/06	1	100	" 13/06	100						
Crane, J. W.	Wallacetown	July 27/06	1	100	" 13/06							
Casey, Thos.	Fingal	" 24/06	1	100	" 13/06						2-Mar. 18/08	
Casey, Thos.	"	Sept. 13/06	1	100	Sept. 24/06							
Cameron, John A.	Wallacetown	July 21/06	1	100	Aug. 13/06	10						
Clay, C. B.	"	Aug. 1/06	1	100	" 13/06	10						
Church, E.	Iona	" 25/06	1	100	Sept. 5/06						1-Mar. 18/08	
Cook, Ed.	Leamington	Sept. 19/06	3	300	Oct. 8/06	30						
Cook, R.	"	" 19/06	2	200	" 8/06	20						
Cunningham, Lizzie	Hornby	" 27/06	3	300	" 8/06	300						
Coulson, Maggie (Mrs. Preston)	"	" 27/06	1	100	" 8/06	100						
Cairns, S.	Campbellville	" 28/06	2	200	" 8/06	200						
Campbell, A.	Mountsberg	Oct. 3/06	2	200	" 26/06					50		
Cunningham, H.	Drayton	Aug. 24/04	5	500	Dec. 23/04	100						
Casey, Con.	"	Oct. 6/04	5	500	" 23/04	450						
Corbitt, R. H.	Rothsay	Jan. 21/05	10	1000	Jan. 23/05	1000						

		Application	Shares	Amt.	Allotted	PAYMENTS				T. & G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Charlton, T.	Collingwood	Mar. 12/06	30	3000	Apr. 30/06							
Cook, J. E.	Hamilton	Apr. 4/06	4	400	" 30/06	400						
Chisholm, Wm	Antigonish	" 10/06	3	300	" 30/06	300						
Cook, Jno. C.	Norval	" 18/06	5	500	" 30/06	50		450				
Copeland, E. M.	Arkona	" 30/06	5	500	May 15/06	500						
Cheyne, L.	Brampton	May 3/06	5	500	" 15/06			500		100	5-Dec. 31/07	
Cattanach, J. F.	N. Lancaster	Apr. 26/06	2	200	" 15/06	200						
Coulson, Jno.	Kilbride	May 26/06	25	2500	June 6/06			2500	450			
Coulson, W. J.	"	" 29/06	5	500	" 6/06			500	50			
Cruikshank, Annie	Hamilton	" 28/06	10	1000	" 6/06	1000						
Cox, Thos.	Milton	Mar. 29/06	50	5000	" 6/06			5000		5000	25-Dec. 18/07	
Clements, M.	"	" 1/06	5	500	" 6/06	50		450				
Chapman, H. H.	Brantford	" 8/06	1	100	July 4/06	55						
Cartwright, A	Zimmerman	" 13/06	10	1000	" 4/06			1000	1000			
Chapman, J. A	Sandwich	July 3/06	25	2500	" 4/06	250		2250				
Cummins, A. C.	Burlington	June 21/06	5	500	July 4/06			500		250		
Cartwright, Jno. A.	Zimmerman	" 22/06	10	1000	" 4/06	1000						
Chisholm, L. W.	Limehouse	" 27/06	1	100	" 4/06	10						
Campbell, D.	Ballinafad	July 3/06	3	300	" 9/06	30		270				
Campbell, Jno.	Glenwilliams	" 5/06	3	300	" 9/06	30		270				
Dowling, John J.	Drayton	Aug. 18/04	1	100	Dec. 23/04	5						
Dales, John N.	Kingston	" 23/04	1	100	" 23/04	5						
Downey, Jas.	Goldstone	Nov. 4/04	2	200	" 23/04	10						
Davidson, E.	Drayton	" 9/04	10	1000	" 23/04	1000						
Davidson, W. F	"	Aug. 22/05	2	200	Nov. 7/05	20						
Day, E. H.	Norval	Apr. 4/06	3	300	Apr. 30/06	300						
Dickison, Thos	Arkona	" 23/06	4	400	" 30/06	400						
Dickison, Jennie	"	" 23/06	5	500	" 30/06	500						
Deese, D. E. (Sec'y)	Finch	Mar. 29/06	5	500	" 30/06	500						
Darrah, Robt	Milton	May 4/06	10	1000	May 15/06	100		900	900			
Daniels, Geo	"	" 4/06	5	500	" 15/06			500		200	5-Apr. 17/07	
Dewar, D.	"	" 5/06	5	500	" 15/06	200						
Dewar, Jno.	"	" 12/06	5	500	" 15/06						5-Mar. 18/08	
Dixon, W. A.	"	" 17/06	50	5000	" 22/06			5000		500	49-Jan. 15/08	50 shares
Dewar, W. F	"	" 21/06	10	1000	" 22/06	100		900	200			

		Application	Shares	Amt.	Allotted	PAYMENTS				T. & G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Darling, R. A	Mansewood	June 2/06	5	500	June 6/06	50		450				
Denoon, G	Milton	" 2/06	20	2000	" 6/06			2000		2000	20-Jan. 15/08	20 shares
Dickson, Alex	Camden East	" 2/06	4	400	July 4/06	400						
Downs, E. W	Drumquin	" 16/06	25	2500	" 4/06	250		2250	400			
Davis, C. G	Freeman	" 20/06	10	1000	" 4/06	1000						
Devean, N. M	Toronto	July 7/06	10	1000	9/06	100	19000			900		
Devean, N. M	Toronto		190	19000								
Downs, Albert J	Drumquin	" 5/06	25	2500	" 9/06			2500	250			
Denny, Margaret	Ballinafad	" 30/06	5	500	Aug. 13/06	50		450				
Docker, A. F	Wallacetown	Aug. 1/06	3	300	" 13/06	300						
Dromoyle, H	"	" 7/06	1	100	" 13/06							
Dearling, Jno	Palermo	" 17/06	1	100	" 21/06			100	10			
Davison, Matthew	Flint	Sept. 6/06	50	5000	Sept. 24/06						50-Mar. 18/08	
Dewar, Jno	Fingal	Oct. 11/06	1	100	May 15/06							
Davidson, J. A	Milton	" 3/06	1	100	Oct. 26/06							
Denny, Jos. H	Ballinafad	July 24/06	5	500	July 31/06			450				
Elsley, C. A	Campbellville	Sept. 28/	5	500	Oct. 8/06	250						
Ellis, George	Drayton	Nov. 4/04	5	500	Dec. 23/04	500						
Elsley, Levi	Nassagaweya	Sept. 4/05	3	300	Nov. 7/05	300						
Elsley, Levi	"	June 5/05	7	700	" 7/05	700						
Early, M. J	Norval	Undated.	6	600	Apr. 30/06	600						
Eccles, Jno	Glenwilliams	Apr. 4/06	10	1000	" 30/06							
Ellis, J. S	Toronto	" 25/06	1	100	" 30/06	50						
Elliott, Wm	Milton	May 9/06	5	500	May 15/06	500						
Elliott, Wm	"	" 9/06	5	500	" 15/06	500						
Elliott, Dollie	"	" 9/06	1	100	" 15/06	100						
Elliott, J. W	"	" 12/06	5	500	" 15/06	100						
Edmonstone, Jas	Balaclava	" 12/06	4	400	" 15/06			400				
Emerson, Andrew	Zimmerman	" 21/06	50	5000	" 22/06			5000	500			
Ewing, Jas. (Erwin)	Eden Mills	" 25/06	5	500	June 6/06	500						
Edmonstone, Jas	Balaclava	June 27/06	4	600	July 4/06	600						
Edmonstone, Jas	"	" 16/06	2									
Elliott, R. A	Milton	" 25/06	5	500	July 4/06			500		500		
Elliott, Thos	Lowville	July 5/06	10	1000	" 9/07			1000		1000	5-Oct. 20/09 T 5-Dec. 18/09	

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Eaton, Allan	Mt. Nemo	July 11/06	100	10000	July 12/06	7500		2500					
Edmonds, Geo	Fingal	" 23/06	1	100	Aug. 13/06								
Edmonds, Geo. or Cora	"	Aug. 31/06	1	100	Sept. 5/06								
Edmonds, Geo. or Cora	"	Sept. 10/06	3	300	" 24/06								
Fowler, Geo. S.	Teeswater	Sept. 6/04	5	500	Dec. 23/04	275							
Ferguson, A.	Edinburgh, Scot	Oct. 14/05	10	1000	Nov. 7/05	500							
Fisher, A. E.	Whitehorse	May 3/06	5	500	Apr. 30/06	500							
Ford, Jno. A.	Omagh	" 8/06	5	500	May 15/06	50		450	450				
Foster, Jas.	Moray	" 11/06	10	1000	" 15/06	1000							
Foster, Jos. Sr.	Greenway	" 12/06	1	100	" 15/06	100							
Ford, Jas.	Boyne	" 17/06	50	5000	" 22/06			5000	500				
Ford, J. F.	Omagh	" 31/06	50	5000	June 6/06			5000	700				
Ford, Ed.	"	June 4/06	15	1500	" 6/06	150		1350					
Fox, R. W.	"	" 4/06	15	1500	" 6/06	150		1350			15-Dec. 31/07		
Fox, R. W.	"	" 6/06	10	1000	July 4/06	100		900					
Foster, H. A.	Lowville	" 8/06	15	1500	" 4/06	150		1350					
Ford, Ed.	Omagh	" 15/06	10	1000	" 4/06			1000	100				
Ford, D. F.	"	" 8/06	10	1000	" 4/06			1000		1000			
Fuller, E.	Thornhill	June 19/06	5	500	July 4/06	150		350					
Ferguson, George	Glasgow, Scot	" 19/06	15	1500	" 4/06	1500							
Ford, Mary E.	Omagh	July 5/06	2	200	" 9/06	200							
Ford, Ida A.	"	" 4/06	5	500	" 9/06	50		450					
Ford, D. Frank	"	" 5/06	15	1500	" 9/06			1500		1500			
Freeman, J. G.	Boxgrove	" 12/06	3	300	" 16/06	200							
Freeman, Helen	"	" 12/06	10	1000	" 16/06	100							
Findlay, Robert	Malcolm	" 5/06	3	3	" 16/06	3							
Fulton, Velma	Fingal	" 30/06	1	100	Aug. 13/06								
Fitch, Wm.	Pt. Talbot	Aug. 2/06	1	100	" 13/06	100							
Foster, T.	Brantford	Aug. 14/06	3	300	" 21/06	60							
Ford, Jas.	Omagh	Oct. 9/06	2	200	Oct. 26/06	20		180					

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Fitzgibbon, J. G.	Toronto	Oct. 22/06	1	100	Nov. 24/06						1-Nov. 17/09		
Fortier, Jos.	Montreal	July 4/05	2	200	" 7/05	10					2-Mar. 18/08		
Forget, A. E.	Regina	" 11/05	50	5000	" 7/05						50-Mar. 18/08		
Fraser, Edna S.	Surgoinsville, Tenn.	May 31/06	2	200	June 6/06	200							
Gibb, H. C.	Drayton	Aug. 18/04	2	200	Dec. 23/04	140							
Gordon, Lottie	"	" 22/04	2	200	" 23/05	10							
Groves, A.	Fergus	Apr. 13/05	100	10000	Nov. 7/05					3000			
Geddes, W. J.	Embro	Aug. 24/05	10	1000	" 7/05	1000							
Gilchrist, A.	Napanee		3	300	Apr. 30/06	240							
Green, C. J.	Kingsville	Apr. 26/06	2	200	" 30/06	200							
Greenlees Bros.	Milton	May 1/06	10	1000	May 15/06	300		700	700				
Greer, Jennie B.	"	" 14/06	50	5000	" 15/06			5000			50-Apr. 17/07		
Gillies, Mary	Watford	" 10/06	1	100	" 15/06	100							
Gaslee, Geo.	Milton	" 15/06	10	1000	" 22/06	100		900	900		10-Jan. 15/08	10 shares	
Galloway, C. E.	"	" 22/06	5	500	June 6/06	50		450					
Gunby, B.	Kilbride	June 8/06	50	5000	July 4/06			5000	2000				
Grigg, Emma J.	New York	" 18/06	1	100	Jan. 15/08	100							
Griffin, J. H.	Burgessville	" 27/06	2	200	July 4/06	200							
Gowan, Chas. W.	Ballymote	July 5/06	1	100	" 9/06	100							
Green, A. E.	St. George	" 30/06	4	400	Aug. 13/06	280							
Golding, H.	Ingersoll		10	1000	" 13/06	100		900	900				400
Gillson, T.	Masonville	Aug. 6/06	5	500	" 13/06	500							
Garbutt, Robert G.	Wallacetown	" 1/06	1	100	" 13/06								
Graham, W. A.	"	" 9/06	1	100	" 13/06	30							
Gow, P.	Wallacetown	Aug. 15/06	1	100	Aug. 21/06	30							
Garner, Thos.	Palermo	" 17/06	5	500	" 21/06	50		450					
Gallagher, J.	Toronto	Oct. 22/06	1	100		10	(Trans. to L. G. and then cancelled) 1 June 19/07.						
Gilchrist, John	"	" 22/06	30	3000	Nov. 24/06					3000			
Haseltine, W. H.	Rothsay	Aug. 25/05	10	1000	Nov. 7/05	100							
Harris, M. A.	Toronto	Mar. 29/06	2	200	Apr. 30/06	200							200

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Hunter, Francis	Norval		10	1000	Apr. 30/06	1000							
Hyatt, W.	"	Apr. 18/06	10	1000	" 30/06	1000							
Hunter, Jno	"	" 18/06	1	100	" 30/06	100							
Hotson, A.	Parkhill	" 20/06	15	1500	" 30/06	900							
Hunter, J. W.	Toronto	" 25/06	5	500	" 30/06	500							
Hunter, John	Milton	May 8/06	15	1500	May 15/06	1000		500	500				
Hunter, Wm.	Ashgrove	" 11/06	25	2500	" 15/06			2500		2500			
Hunter, Thos.	Norval	" 11/06	25	2500	" 15/06			2500		2500	25-Dec. 18/07		
Hollinrake, C. E.	Milton	" 26/06	5	500	June 6/06	300							
Howden	"	" 25/06	5	500	" 6/06			500		50			
Hume, J. T.	Scotch Block	" 30/06	5	500	" 6/06	50		450					
Handy, Lottie O. M.	Surgoinsville	June 6/06	1	100	" 6/06	100							
Handy, F. T.	"	" 6/06	1	100	" 6/06	100							
Hayden, J. S.	Camden East	" 2/06	10	1000	" 6/06	1000							
Hamilton, Alice	Milton	" 6/06	10	1000	July 4/06			1000		1000	5-Dec. 18/07		
Hume, Robert	"	" 6/06	10	1000	" 4/06			1000		100		10 shares	
Haydon, Jas. A.	Camden East	" 11/06	4	400	" 4/06	400							
Hoare, Wm.	Glenwilliams	" 15/06	5	500	" 4/06	50		450					
Hoare, Sarah	"	July 4/06	4	400	" 9/06	400							
Hanna, Wm.	Erin	" 21/06	2	200	" 23/06	200							
Harris, Wm.	Milton	" 31/06	5	500	Aug. 13/06			500		500			
Husband, Geo. E.	Ash	Aug. 9/06	10	1000	" 13/06			1000	100				
Husband, Robt. W.	"	" 9/06	10	1000	" 13/06			1000	100				
Horn, Thos.	"	" 8/06	1	100	" 13/06			100	10				
Hoover, A. H.	Toronto		50	5000	" 13/06								
Heeks, H.	Palermo	Aug. 13/06	10	1000	" 21/06			1000	100				
Hazell, H.	Hamilton	" 15/06	5	500	" 21/06			500	50				
Hartman, C. H.	"	" 15/06	2	200	" 21/06			200	20				
Hirst, E.	Campbellville		10	1000	Oct. 8/06	1000							
Hanley, John	Milton		1	100	" 8/06	100							
Honeywell, E. H.	Ballinfada	Oct. 5/06	25	2500	" 8/06					2500			
Haist, A. G.	Stratford	" 8/06	4	400	" 26/06	400							
Hunter, W. H.	Toronto	" 22/06	1	100	Nov. 24/06	10							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Irving, Jno.	Milton	May 9/06	5	500	May 15/06	50		450				
Irving, W. A.	Tansley		5	500	Aug. 21/06			500	50			
Johnston, Jas.	Winfield	Nov. 5/04	2	200	Dec. 23/04	40						
Johnston, Robt.	"	" 8/04	5	500	" 23/04	100						
Joyce, C.	Mansewood	May 21/06	5	500	May 22/06	50		450				
Joyce, Robt.	"	" 21/06	10	1000	" 22/06	100		900	500			
Johnson, H. F.	Boyce	June 4/06	2	200	July 4/07	20		180			2-Dec. 31/07	
Johnson, Caroline	"	" 8/06	1	100	" 4/06	100						
Kerr, Jno.	Milton	May 1/06	50	5000	May 15/06	500		4500	2500			
Kemp, D. C.	Hornby	" 12/06	50	5000	" 16/06			5000		5000	30-Dec. 18/07	
Kennedy, W. A.	"	" 28/06	5	500	June 6/06			500		250		
Kelly, P. J.	Stratford	" 31/06	10	1000	" 6/06	100		900				
Kennedy, G. A.	Milton	June 29/06	10	1000	July 4/06			1000	100			
Krupp, S.	Cairo	July 17/06	4	400	" 23/06	40		360				
Kennedy, P. S.	Acton		2	200	" 31/06	20		180				
Kennedy, T. W.	Acton West	July 30/06	1	100	Aug. 13/06	10		90				
Kinney, L. P.	Drumbo	Aug. 2/06	4	400	" 13/06	40		360				
Kochler, E.	Tyrconnell	July 27/05	1	100	" 13/06	40						
Kirkpatrick, Wm.	Burgessville	Aug. 14/06	1	100	" 21/06	10		90				
Laing, Helen.	Drayton	Nov. 9/04	10	1000	Dec. 23/04	1000						
Lavertine, L. V.	Montreal	July 24/05	3	300	Nov. 7/05	15						
Lathrop, F. E.	Armada, Mich.	Sept. 23/05	10	1000	" 7/05	1000						
Lindsay, James.	Fergus	Oct. 18/05	10	1000	" 7/05	1000						
Leslie, Matilda	Georgetown	Apr. 19/06	5	500	Apr. 6/06	500						
Leslie, R. F.	"	" 19/06	10	1000	" 30/06	1000						
Lindsay, W. J.	Toronto	May 9/06	50	5000	July 4/06	500	(Chgd. to Com. a/c.)			5000	440-Mar. 18/08	
Lindsay, W. J.	"	Oct. 22/06	500	50000	Oct. 26/06						100-Nov. 17/09	
Lynch, M. J.	Kingston	June 9/06	5	500	July 4/06	500						
Lindsay, J. R.	Georgetown	" 27/06	5	500	" 4/06	500						
Logie, Jas.	Nassagaweya	" 18/06	5	500	" 4/06	500						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Laird, Geo.	Ashgrove	June 29/06	10	1000	July 4/06			1000		500	10-Dec. 18/07		
Leslie, J. T.	Norval	" 28/06	2	200	" 4/06	20		180					
Little, J. D.	Walkerton	July 16/06	10	1000	" 23/06	500							
Lindsay, N. F.	Acton West	" 30/06	5	500	Aug. 13/06	50		450					
Lindsay, Jessie E.	Georgetown	Aug. 1/06	1	100	" 13/06	100							
Lown, A. S.	Toronto	Oct. 20/06	1	100	Nov. 24/06	10							
Latch, Emma	"	Nov. 15/06	8	800	" 24/06	800							
Luxton, A. G. H.	Milton	Oct. 22/06	10	1000	" 24/06						10-Mar. 18/08		
Linton, Adam	Guelph	Nov. 23/06	10	1000	" 24/06	100							
Mayne, Ellen	Stirton		2	200	Dec. 23/04	175							
Munro, Jas.	Embro	July 19/05	50	5000	Nov. 7/05	3250							
Murray, C.	"	Sept. 25/05	10	1000	" 7/05	1000							
Morse, G. A.	Leamington	Nov. 22/05	5	500	Apr. 30/06	500							
Merner, Sam	Berlin	Apr. 28/06	50	5000	" 30/06								
Moore, Louisa	Arkona	" 30/06	1	100	May 15/06	100							
Mathews, Alex.	Guelph	May 9/06	5	500	" 15/06			500		500	5-Dec. 18/07		
Muir, Gertrude	Almonte	Apr. 11/06	5	500	" 15/06	500							
Moffatt, Jas.	Kelso	May 18/06	10	1000	" 22/06	1000							
Murray, Jas.	Mansewood	" 22/06	10	1000	June 6/06	300					10-Jan. 15/08	10 shares	
Murray, Jas.	"	" 14/06	25	2500	Oct. 8/06								
Moffat, J. F.	Martintown	" 10/06	3	300	May 22/06	300							
Mowbray, Jno. W.	Camden East	June 2/06	6	600	June 6/06	600							
Marshall, Jas.	Glasgow, Scot	" 18/06	5	500	July 4/06	500							
Murray, Jno.	Embro	" 28/06	5	500	" 4/06	500	..						
Murray, Geo.	"	" 28/06	10	1000	" 4/05	1000							
Macdonald, Jno.	Markham	July 14/06	5	500	" 16/06	500							
Meyer, P. V.	Toronto	" 17/06	10	1000	" 23/06	500							
Morrison, A.	Ashgrove	" 23/06	1	100	" 23/06	10		90					500
Morrison, H.	"	" 23/06	5	500	" 23/06	50	..	450					
Murray, Geo.	St. Andrews, Scot.	" 11/06	5	500	" 23/06	500							
Monkman, J. A.	Toronto	Aug. 4/06	6	600	Aug. 13/06	600							
Morrison, Loretta	Ashgrove	" 18/06	2	200	" 21/06	200							
Mitchell, Thos.	Ash	Sept. 12/06	1	100	Sept. 24/06	10		90					
Menzie, R. L.	Kelso	" 28/66	1	100	Oct. 8/06	100							
Menzie, Wm.	"	" 28/00	1	100	" 8/06			100		50		..	

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Miller, John	Leamington	Sept. 29/06	5	$ 500	Oct. 8/06	$500							
Macorquodale, D. S.	Toronto	Oct. 22/06	1	100	Nov. 24/06						1-May 15/07		
Macorquodale, B. E.	"	" 22/06	1	100	" 24/06						1-May 15/07		
Macorquodale, F.D.	"	" 22/06	1	100	" 24/06						1-May 15/07		
Mitchell, J. W.	"	" 22/06	1	100									
MacDowall, W. S.	Almonte	Apr. 11/06	5	500	May 15/06	500							
McKay, Alex	Holiday	Aug. 23/05	5	500	Nov. 7/05	350							
McKay, Hugh	"	" 23/05	5	500	" 7/05	350							
McLennan, R. R.	Cornwall		50	5000	Apr. 30/06	3000							5000
McMillan, Isabella	Hamilton	Mar. 31/06	5	500	" 20/06	500							
McKinnon, D. P.	Finch	" 22/06	10	1000	" 30/06	100							
McMillan, D. A.	"	" 31/06	5	500	" 20/06	450							
McLaughlin, J. C.	Norval	May 18/06	2	200	May 15/06			200		100			
McCann, Ed., Jr.	Omagh	" 4/06	10	1000	" 15/06	100		900					
McCall, H. A.	Milton	Not on file	10	1000	" 15/06								
McLeod, Jno	"	May 9/06	1	100	" 15/06			100		50		1 share	
McCuaig, M.	Peveril	Apr. 19/06	10	1000	" 15/06	1000							
McCuaig, D.	Dalhousie Sta.	" 27/06	5	500	" 15/06	500							
McDonald, R. D.	Bridge End Sta.	" 27/06	2	200	" 15/06	200							
McLachlin, D.	Parkhill	May 1/06	1	100	" 15/06	100							
McDuffe, P. A.	Omagh	" 14/06	10	1000	" 22/06			1000		1000			
McDuffe, P. A.	"		15	1500	June 6/06			1500		1500			
McCallum, F.	Milton	May 16/06	10	1000	May 22/06	100		900	900		9-Jan. 15/08	10 shares	
McGregor, C. D.	"	June 1/06	5	500	June 6/06	50		450	100				
McLean, Wm.	"	" 6/06	5	500	July 4/06			500	50		5-Removed from list, no cancellation	5 shares	
McLean, Margaret	Milton	June 6/06	5	500	July 4/06			500	50				
McCullogh, R. C.	Georgetown	" 27/06	5	500	" 4/06	500							
McCann, Rebecca	Omagh	" 29/06	5	500	" 4/06	500							
McCallum, M.	Ashgrove	" 25/06	2	200	" 4/06			200		100			
McDonald, Jno.	Acton	July 2/06	2	200	" 9/06	20		180	90				
McDonald, Alex.	"	" 2/06	3	300	" 9/06	30		270					
McMillan, Harriet L.	Westmount	June 14/06	5	500	" 16/06	500							
McClure, S.	Glenwilliams	Oct. 8/06	5	500	Oct. 8/06	50		450	200	200			
McKechnie, Jno.	Ballinafad	July 21/06	1	100	July 23/06	100							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
McKerlie, M.	Pt. Nelson	Aug. 15/06	40	$4000	Aug. 21/06	$4000							
McKee, Geo.	Wallacetown	" 17/06	1	100	" 21/06	100							
McGeachy, Jno. A.	Iona	" 23/06	4	400	Sept. 5/06	400							
McCallum, Dugald	Adrian, Mich	" 24/06	2	200	" 5/06	200							
McCallum, Dugald	Adrian, Mich	Sept. 10/06	1	100	" 24/06	100							
McIntyre, Duncan	Fingal	" 7/06	1	100	" 24/06	100							
McIntyre, Donald	Boxall	" 12/06	2	200	" 24/06								
McIntyre, Colvin A.	Fingal	" 17/06	2	200	" 24/06	20							
McClure, S.	Glenwilliams	July 17/06	5	500	July 23/06			500					
McCurdy, Robt.	Hornby	Oct. 8/06	1	100	Oct. 26/06	100							
Noble, Robt.	Bosworth	Aug. 20/0	2	200	Dec. 23/04	60							
Newman, R. A.	Detroit	July 13/06	50	5000	July 16/06	5000							
Newman, R. A.	"	Sept. 1/05	50	5000	Nov. 7/05	5000							
Nelson, J. H.	Kingsville	Dec. 6/05	20	2000	Apr. 30/06	2000							
Noble, Robert.	Norval	Apr. 2/06	30	3000	" 30/06	3000							1000
Near, F. S.	Ballinafad	July 3/06	3	300	July 9/06	30		270					
Norris, Henry	Alliston	" 5/06	5	500	" 9/06	500							
Near, M. L.	Erin	" 21/06	10	1000	" 23/06	100		900					
Nixon, J. F.	Ashgrove	Aug. 13/06	2	200	Aug. 21/06	200							
Newman, W. T.	Vancouver	Sept. 17/06	5	500	Sept. 24/06	50							
Nesbitt, W. B.	Toronto	Oct. 22/06	100	10000	Nov. 24/06					3000			
O'Hagan, J.	Toronto	May 25/06	1	100	June 6/06	80							
Osborn, Annie	Glenwilliams	June 14/06	1	100	July 4/06	100							
Parmenter, L. S.	Flushing, N. Y.	Oct. 22/06	1	100	Nov. 24/06	30							
Patterson, E.	Palermo	" 8/06	1	100	Oct. 26/06					25			
Page, G. L.	Drayton	Aug. 18/04	10	1000	Dec. 23/04	700							
Patterson, W. A.	Flint	" 14/05	10	1000	Apr. 30/06	500							
Powell, H. H.	Lowville	May 30/06	15	1500	June 6/06	150		1350	1350				
Powell, H. H.	"	" 5/06	15	1500	May 15/06			1500	150				
Panton, Wm.	Milton	" 9/06	10	1000	" 15/06	100		900					
Pell, John.	Omagh	May 16/06	10	1000	" 22/06			1000		1000	9-Dec. 18/07		
Pearce, Edith E.	Springford	" 18/06	5	500	" 22/06	500							
Pearce, Edith E.	"	" 30/06	5	500	June 6/06	500							
Parrott, H. H.	Camden East	June 8/06	4	400	July 4/06	400							
Peddie, J. C.	Milton	" 9/06	5	500	" 4/06	50		450	200				

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Porter, Alex.	Omagh	June 8/06	5	500	July 4/06	50		450				
Porter, Alex.	"	" 16/06	5	500	" 4/06	50		450				
Peddie, Jno.	Milton	" 25/06	5	500	" 4/06	500						
Peddie, James	"	" 25/05	5	500	" 4/06	500						
Phillip, Annie	Kilbride	July 10/06	2	200	" 12/06	200						
Pfister, Jno.	Toronto	" 17/06	10	1000	" 23/06	500						
Page, Wm.	Fingal	" 27/06	1	100	Aug. 13/06							
Patterson, L.	Palermo	Aug. 23/06	3	300	Sept.o 5/06	300						
Preston, B. C.	Armada	" 28/06	5	500	" 5/06	500						
Ritch, Wm	Drayton	Aug. 22/04	2	200	Dec. 23/04	70						
Ryan, J. G.	Elizabeth, N. J.	July 3/05	1	100	Nov. 7/05	5						
Robertson, Hugh	Martintown	May 11/06	5	500	May 22/06	500						
Robertson, Duncan J.		" 11/06	10	1000	" 22/06	1000						
Robertson, Wm.	Hamilton	" 31/06	5	500	June 6/06	500						
Ross, And. J.	Nairn	" 28/06	1	100	" 6/06	100						
Roper, J. P.	Milton	June 1	4	400	" 6/06	400						
Ratz, Jno.	Khiva	" 4/06	10	1000	" 6/06	400						
Rose, And. J.	Nairn	" 6/06	2	200	July 4/06	40						
Randall, Claretta	Springford	" 15/06	2	200	" 4/06	200						
Ross, A. J.	Nairn	" 22/06	1	100	" 4/06	100						
Richardson, T. W.	Glenwilliams	July 6/06	10	1000	" 9/06	100		900				
Robinson, Marg't	Omagh	" 5/06	5	500	" 9/06	500						
Robinson, Geo.	"	" 5/06	10	1000	" 9/06			1000		1000		
Rae, Jas.	Malcolm	" 13/06	10	1000	" 16/06	1000						
Rae, Alex	"	" 13/06	10	1000	" 16/06	1000						
Rae, Betsy	"	" 13/06	10	1000	" 16/06	1000						
Robb, Elsie	St. George	" 20/06	5	500	" 23/06	50						
Robb, Wm.	"	" 18/06	20	2000	" 23/06	400						
Richardson, Geo.	Toronto	Nov. 23/06	1	100	Nov. 24/06	10						
Roper, J. P.	Milton	May 15/06	1	100	May 15/06	100						
Snelgrove, E. W.	Brighton	Oct. 9/06	10	1000	Oct. 26/06			1000		1000	10-Dec. 18/07	
Symons, W. L.	Toronto	" 10/06	10	1000	" 26/06	100						
Stafford, Wm.	Wallacetown	July 27/06	2	200	Aug. 13/06	80						
Stevenson, W. E.	Fingal	Aug. 4/06	1	100	" 13/06							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Shaver, W. J.	Toronto	July 18/06	20	2000	Aug. 13/06	2000						
Shaver, A. R.	"	" 18/06	10	1000	" 13/06	1000						
Strong, Geo.	Wallacetown	Sept. 19/06	1	100	Sept. 24/06	10						
Smith, Flint P.	Flint, Mich	" 6/06	50	5000	" 24/06						50-Mar. 18/08	
Stewart, Neil	Milton	May 22/06	25	2500	Oct. 8/06						25-Apr. 17/07	
Sprowl, Mrs. Wm.	Acton	Sept. 27/06	3	300	" 8/06	300						
Sprowl, Wm.	"	" 27/06	3	300	" 8/06	300						
Stair, F. W.	Toronto	Oct. 9/06	100	10000	" 26/06	1000		9000				
Sutherland, G. A.	Embro	Aug. 23/05	5	500	Nov. 7/05	500						
Sutherland, G. A.	"	Nov. 17/06	5	500		500						
Sutherland, George	Chicago	Aug. 25/05	10	1000	Nov. 7/05	1000						
Stevens, F. B.	Detroit	Sept. 1/05	20	2000	" 7/05	1000						
Sutherland, R.	Golspie	May 15/06	5	500	May 15/06	500						
Sutherland, R.	"	Sept. 26/05	5	500	Nov. 7/05	500						
Sutherland, M.	"	" 30/05	5	500	" 7/05	500						
Simpson, G. A.	Leamington	Nov. 22/05	10	1000	Apr. 30/06	1000						
Samson, Jas.	Windsor	Dec. 11/05	5	500	" 30/06	50						
Sykes, A.	Glenwilliams	Apr. 5/05	10	1000	" 30/06			1000	1000			
Switzer, J. C.	Norval	" 19/06	5	500	" 30/06			500	50			
Summers, Jane	Corinth	" 18/06	1	100	" 30/06	100						
Showler, T. W.	Arkona	" 30/06	10	1000	" 30/06	100		900				
Showler, T. W.	"	"	20	2000	May 15/06			2000				
Smith, A. E.	Parkhill	" 24/06	4	400	Apr. 30/06	400					25-June 23/09	
Sunstrum, Jno.	Ottawa		25	2500	" 30/06							
Simpson, J. P.	Finch	Mar. 31/06	3	300	" 30/06	270						
Sutherland, O. D.	Goldspie	Apr. 25/06	3	300	May 15/06	300						
Smith, Sarah	Arkona	" 30/06	1	100	" 15/06	100						
Smith, Geo.	"	" 30/06	10	1000	" 15/06	100		900	395			
Sutherland, Jas.	Holiday	May 3/06	10	1000	" 15/06	1000						
Scott, W. N.	Milton	" 4/06	50	5000	" 15/06			5000	1500			
Stewart, Jno.	"	" 5/06	5	500	" 15/06	250						
Sutherland, Hugh	Holiday		5	500	" 15/06	500						
Scott, J. B.	Milton	May 8/06	5	500	" 15/06			500		100		
Storey, Geo.	"	" 10/06	50	5000	" 15/06			5000		5000	50-Dec. 18/07	
Sproat, Jno.	Mansewood	" 12/—	100	10000	" 15/06					1000	93-Jan. 15/08	100 shares
Saunders, Annie N.	Tilsonburg	" 11/06	5	500	" 15/06	500						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Saunders, Wm. H.	Tilsonburg	May 12/06	5	500	May 15/06	150		350	100			
Sayers, Peter	Guelph	" 14/06	10	1000	" 22/06						10-Mar. 18/08	
Shortreed, J. H.	Mansewood	" 16/06	5	500	" 22/06	500						
Scott, Mary M.	Milton	" 17/06	10	1000	" 22/06	100		900				
Scott, Mary M.	"	June 8/06	20	2000	July 4/06			2000				
Scott, Flora	"	May 17/06	10	1000	May 22/06	100		900				
Somerville, Wm.	St. Mary's	" 19/06	10	1000	" 22/06	100		900				
Stuart, Jane	Milton	" 29/06	3	300	June 6/06	30		270	(3 Re	moved from list, no cancellation)		3 shares
Stewart, Jno.	"	May 30/06	10	1000	June 6/06	100		900				
Shortreed, Walter	"	June 6/06	10	1000	July 4/06			1000		1000		
Stover, L. H.	Camden East	" 4/06	10	1000	" 4/06	1000						
Stedman, N.	"	" 4/06	5	500	" 4/06	500						
Sloan, W. J.	Glenwilliams	" 14/06	5	500	" 4/06	500						
Sinclair, W. G.	Zimmerman	July 7/06	50	5000	" 9/06		5000			500		
Smith, M. W.	Thornhill	June 22/06	10	1000	" 4/06	500		500				
Sackrider, Chas.	Burgessville	" 21/06	1	100	" 4/06	50						
Sutherland, Sarah	Leamington	" 22/06	2	200	" 4/06	200						
Siple, R. A.	Burgessville	" 28/06	2	200	" 4/06	20		180				
Scott, Alex. P.	Brampton	" 30/06	2	200	" 4/06	20						
Sinclair, D.	Freeman	" 21/06	5	500	" 4/06			500		200		
Southcott, J.	Grand Bend	July 3/06	1	100	" 4/06	100						
Stork, Ira A.	Mono Mills	June 29	1	100	" 9/06	100						
Standish, J. L.	Esquesing	July 6/06	1	100	" 9/06	10		90				
Stalker, Jno.	Acton	" 2/06	2	200	" 9/06	200						
Sinclair, W. G.	Zimmerman	June 15/06	50	5000	" 4/06	A c	Note 550	5000				
Starret, Marg't. J.	Glenwilliams	July 9/06	1	100	" 12/06	10		90				
Simpson, Robt.	Kilbride	" 10/06	10	1000	" 12/06	1000						
Simpson, Mary A	"	" 10/06	5	500	" 12/06	500						
Sinclair, G. W	Zimmerman	" 17/06	10	1000	" 23/06			1000				
Shreve, Mary L.	Cairo, Mich.	" 17/06	2	200	" 23/06	120						
Sager, Sarah	St. George	" 24/06	10	1000	" 31/06	1000						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Tucker, Geo.	Bosworth	Aug. 17/04	2	200	Dec. 28/04	10							
Turner, W. D.	Norval	Apr. 4/06	2	200	Apr. 30/06	200							
Tumulty, T. H.	Madoc	" 18/	1	100	" 30/06	100							
Travers, W. R.	Toronto	May 7/06	50	5000	July 4/06	500	Chgd. Com. a/c.						
Thompson, Lizzie	Watford	" 10/06	1	100	May 15/06	100							
Thompson, Geo. H.	Hornby	" 22/06	50	5000	" 22/06			5000		5000	35-Dec. 18/07		
Topham, Jno.	Burgessville	June 22/06	2	200	July 4/06	20		180					
Topham, Jno.	"	July 28/06	1	100	" 28/06	50		50					
Thompson, David	Walkerton	" 6/06	20	2000	" 9/06	1880							
Tullis, H. P.	Glasgow, Scot.	" 27/06	5	500	" 9/06	350							
Thompson, Agnes	Terra Cotta	" 9/06	14	1400	" 16/06	460	640	300					
Tolton, James	Walkerton	" 20/06	5	500	" 23/06	250							
Thompson, Eliz.	Ballinfad	" 21/06	15	1500	" 23/06	500	600	400					
Thompson, Malcolm	Walkerton	" 26/06	5	500	" 31/06	500							
Telford, Jno.	Wallacetown	" 28/06	2	200	Aug. 13/06	200							
Turner, Jas.	Fingal	" 28/06	1	100	" 13/06	10							
Tubby, E. H.	"	" 25/06	1	100	" 13/06	100							
Townsend, Josiah	Terra Cotta	Aug. 13/06	1	100	" 21/06	100							
Thompson, Annis S.	Ashgrove	" 15/06	2	200	" 21/06	200							
Turner, F. E.	Bracondale		10	1000	Sept. 5/06								
Taylor, Geo. E.	Paris Stn.	Sept. 10/06	5	500	" 24/06	50		450					
Thomas, A. W.	Toronto		10	1000									
Visfer, J. S.	Montreal	July 3/05	1	100	Nov. 7/05	5							
Wilson, Wm. & H.	Rothsay	Aug. 18/04	2	200	Dec. 23/04	200							
Whyte, Jno.	Drayton	" 20/04	1	100	" 23/04	40							
Wadel, Jos.	Whitechurch	Sept. 6/04	10	1000	" 23/04	1000							
Woodisse Bros.	Rothsay	Nov. 9/04	10	1000	" 23/04	1000							
White, Chas.	Drayton	Jan.o 17/05	5	500	Jan. 23/05	25							
Walker, Jos.	Niagara-on-Lake	Sept. 13/05	2	200	Nov. 7/05	20					2-May 18/10		
Walsh, Mrs. J.	Hollin	Oct. 9/05	6	600	" 7/05	600							
Watt, J. A.	Salem	Mar. 24/06	1	100	Apr. 30/06	40							
Webb, Thos.	Brighton	" 25/06	10	1000	" 30/06	1000							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Witham, A. J	St. Catharines	Mar. 29/06	25	2500	Apr. 30/06						25-Apr. 17/07	
Wise, H	"	" 30/06	5	500	" 30/06	500						
Watson, Robt., Sr.	Norval	Apr. 3/06	5	500	" 30/06	50		450				
Waters, Wm	Springbank	May 2/06	10	1000	May 15/06	1000						
Waters, Sarah	"	" 2/06	10	1000	" 15/06	1000						
Whitney, W. P.	Milton	" 15/06	1	100	" 22/06	100						
Wilson, Isabella	Edinburgh, Scot	" 15/06	2	200	June 6/06	80						
Wilson, Hugh E	Keyser	" 28/06	5	500	" 6/06	500						
Walker, W. D.	Milton	June 16/06	1	100	July 4/06	10		90				
Wilson, W. G.	Ashgrove	" 29/06	5	500	" 4/05	500						
Wait, Christina	St. George	July 23/06	10	1000	" 31/06	1000						
Wharton, Mrs. E	Teeswater	" 20/06	3	300	" 31/06						3-Mar. 18/08	
Watson, John	Acton West	" 30/06	5	500	Aug. 13/06	50		450				
Weir, A.	Masonville	Aug. 2/06	2	200	" 13/06	20						
Watkins, Jas.	Pt. Talbot	" 2/06	1	100	" 13/06	100						
Witham, S. F.	Brantford	" 9/06	20	2000	" 13/06			2000		200		
Wood, W. S.	Palermo	" 23/06	1	100	Sept. 5/06	100						
Wilkinson, Geo. H	"	" 23/06	1	100	" 5/06			100		50		
Wettlaufer, J. B. R.	"	" 27/06	2	200	" 5/06	20		180				
Walker, P. M.	Milton	June 16/06	1	100	Oct. 8/06							
Weir, Eliz. A.	Kelso	Sept. 28/06	5	500	" 8/06			500		500	3-Dec. 18/07	
Wood, W. R.	Toronto	Oct. 22/06	1	100	Nov. 24/06	10						
Wilson, Maggie E.	"	Nov. 22/06	5	500	" 24/06	500						
			5,792	579200		$167695	$25,915	$198210	$21705	$75995	1434 shares	219 shares

SUMMARY

Cash Payment on account of Capital Stock			$167,695.00	
Net		$167,436.71		
Discount		258.29		
Paid on account of Notes in Cash			21,705.00	
Paid on account of Notes by transfer of Securities			675.00	
Paid on account of Capital Stock by transfer of Securities		25,915.00		
Less given on a/c of Notes		675.00	25,240.00	
Trust & Guarantee Co. Loan spread			75,995.00	
				$291,310.00
Notes given on account of Stock		198,210.00		
Less Payments in cash	$21,705.00			
" " securities	675.00			
		22,380.00	$175,830.00	
Balance				
Shares Cancelled	1,434			
Laidlaw Clients	219	(199 included with Cancelled Shares)		
Repurchased by Travers with Bank Funds	81			

EXHIBIT 20.

Transfer book of Farmers Bank:

Transfer Book in hands of the Liquidator.

EXHIBIT 21.

Copy of opinion of Urquhart, Urquhart & McGregor:

A. S. Lown, Esq., June 26, '06.

Care of Farmers' Bank of Canada, Toronto.

Dear Sir:—

We have considered the questions submitted by you to us regarding the power of the Provisional Directors of the Farmers' Bank of Canada, to accept stock subscriptions where the parties have given notes in payment of the stock in place of, or in addition to giving their subscriptions in the usual manner, the notes maturing at a time different from the payments in the subscriptions. We have not gone into the question of whether there would be any liability under the subscription without reference to the notes or whether both would be read together, but we are of opinion that the Provisional Directors have the power to accept stock subscriptions which are made in this way, it being a matter that would come within the reasonable discretion of the Directors.

The Provisional Directors are, of course, simply trustees, and any money or promissory notes they may receive in connection with the organization of the bank are held by them in trust for the Bank. If these subscriptions are not paid the allotment could and no doubt, under the by-laws, would be cancelled by the directors, to be elected, and the stock could then be resold. We consider the question one in which the Directors should use their reasonable discretion.

It would appear to us that the Promissory Notes might be of advantage to the Bank, in the event of any subscriber seeking to dispute his subscription, but this scarcely comes within the question submitted to us.

Yours truly,

URQUHART, URQUHART & MACGREGOR.

Per (Sgd.) THOS. URQUHART.

EXHIBIT 22.

Letter, Travers to Lindsay, September 24th, 1906:

THE FARMERS BANK OF CANADA.

Toronto, September 24th, 1906.

W. J. Lindsay, Esq.,
Milton, Ontario.

Dear Sir:—

There is now registered and allotted stock to the amount of $489,500 on our books, therefore, there is only $10,500 that we can now sell at par, so if any of

your friends out there would like to obtain a few shares of the stock, they will have to do so quickly.

We are making a great effort to put up our Government Deposit next week, and a little generosity on the part of our subscribers will enable us to do so. If you can induce some of the people out there to pay up to the extent of $15,000 to $20,000, I will guarantee that the Government Deposit will be made next week and we will have an office of the Farmers' Bank open and doing business in Milton 30 days thereafter.

Kindly see what you can do in this matter, and oblige,

W. R. TRAVERS,
General Manager.

EXHIBIT 23.

Copy of letter, Lindsay to Travers, November 13th, 1907:

Nov. 13th, '07.

Dear Mr. Travers:

I find on looking over Bank Blue Book, that you have included therein several names that are not or should not be on the list as shareholders. Is this not a most serious violation? You have to sign such I would say as being correct it looks and listens like as though you are taking a chance. Pardon me for making any reference to this as you can rightly say it none of my business so therefore I apologize.

Yours truly,
W. J. LINDSAY.

EXHIBIT 24.

Letter, Travers to Lindsay, December 7th, 1906:—

THE FARMERS BANK OF CANADA.

Toronto, December 7th, 1906.

W. J. Lindsay, Esq.,
City.

Dear Sir:—

At a meeting of the Board of Directors of this bank, held on the 26th of November last, a resolution was passed placing the balance of the stock of this bank up to a million dollars in your hands for sale at a premium of 25%.

It was understood, of course, that a certain amount of stock now on our books which has to be replaced could be done so by you at par.

You are to be allowed $10.00 per share for selling it, payable on payment of the 25% premium.

Yours truly,
W. R. TRAVERS,
General Manager.

EXHIBIT 25.

Copy of application for 500 *shares by W. J. Lindsay*:

APPLICATION FOR STOCK.

To the Secretary of the Farmers' Bank of Canada.

Sir,—I hereby apply to the Provisional Directors of the Directors of The Farmers Bank of Canada for Five Hundred shares of the Capital Stock of the said Bank of the par value of $100.00 each at the price of $100 per share.

And I hereby agree with The Farmers Bank of Canada to accept the shares now applied for or any lesser number that may be allotted to me and to pay for the same as follows: $10.00 per share upon signing hereof; a further $20.00 per share upon allotment, and seven equal monthly payments of $10.00 each per share, the first of such payments to be made thirty days after allotment, and the succeeding payments at intervals of thirty days. I reserve to myself the right to pay these shares in full upon the allotment on the terms of the prospectus.

And I hereby make and appoint W. R. Travers, W.J.L., as my Attorney to sign and subscribe my name to the Subscribers' Agreement in the Stock Books of the said Bank and to accept such shares as may be allotted to me and to register me therein as the holder of the said shares.

I further hereby make and appoint (as a term of my application for shares hereinbefore contained) W. R. Travers my proxy to vote for me and in vote for me and in my behalf at all meetings of the Shareholders or Subscribers of the stock of the said Bank, and at any adjournment thereof, at which I may not be personally present, and upon and in respect of all shares of The Farmers Bank of Canada which shall be allotted or transferred to me.

Cheques, drafts, money orders and other remittances on account of stock subscriptions should be made payable to "The Farmers Bank of Canada", any payments made otherwise entirely at subscribers' risk.

Signature,	W. J. Lindsay.
Date,	October 22nd, 1906.
Name in full,	William John Lindsay.
Occupation,	Stockseller.
Address,	Toronto.

EXHIBIT 26.

Copy of application for 50 *shares by W. J. Lindsay*:

To the Secretary of the Farmers Bank of Canada.

Sir:—I hereby apply to the Provisional Directors or the Directors of THE FARMERS BANK OF CANADA for Fifty shares of the Capital Stock of the said Bank of the par value of $100 each at the price of $100.00 per share.

And I hereby agree with THE FARMERS BANK OF CANADA to accept the shares now applied for, or a lesser number, that may be allotted to me, and pay for the same as follows: $10.00 per share upon the signing hereof, a further $20.00 per share upon allotment, and seven equal monthly payments of $10.00 each per share, the first of such payments to be made thirty days after allotment and the succeeding payments at intervals of thirty days. I reserve to myself the right to pay these shares in full upon the allotment on the terms of the prospectus.

I hereby make and appoint C. H. Smith, Secretary Provisional Board, as my attorney to sign and subscribe my name to the Subscribers' Agreement in the Stock Books of the said Bank, and to accept such shares as may be allotted to me and to register me therein as the holder of the said shares.

I further hereby make and appoint (as a term of my application for shares hereinbefore contained) W. R. Travers my proxy to vote for me and in my behalf at all meetings of the Shareholders or Subscribers of the stock of the said Bank, and at any adjournment thereof, at which I may not be personally present, upon and in respect of all shares of the stock of THE FARMERS BANK OF CANADA which shall be allotted or transferred to me.

Cheques, drafts, money orders and other remittances on account of stock subscriptions should be made payable to "THE FARMERS BANK OF CANADA"; any payments made otherwise entirely at subscriber's risk.

Signature,	"W. J. Lindsay."
Date,	May 9th, 1906.
Name in full,	William John Lindsay.
Occupation,	
Address,	276 Jarvis St., Toronto.

EXHIBIT 27.

Copy of Assignments from various people to W. J. Lindsay, all dated October 26th, 1906:

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs.

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, JAMES MURRAY, of Mansewood, Co. of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Mansewood, this 26th day of October, 1906.

In the presence of,
"W. J. D. EWART." } "JAMES MURRAY."

FOR VALUE RECEIVED, I, JAMES MURRAY, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of ($300) Three Hundred Dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said Transfer, and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals, this 26th day of October, A.D. 1906.

Signed, Sealed and delivered In the presence of "W. J. D. EWART." — "JAMES MURRAY." (*Seal*) "W. J. LINDSAY." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs.

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, W. A. Dixon, of Milton, Co. of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred, and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the Presence of, "W. J. D. EWART." — "W. A. DIXON."

FOR VALUE RECEIVED, I, W. A. DIXON, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of Five Thousand Dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfer or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals, this 26th day of October, A.D. 1906.

Signed, sealed and delivered In the presence of "W. J. D. EWART." — "W. A. DIXON." (*Seal*) "W. J. LINDSAY." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs.

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, Geo. Denoon, of Milton, Co. Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay, all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the Presence of
"W. J. D. EWART." } "GEORGE DENOON."

FOR VALUE RECEIVED, I, GEO. DENOON, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of nothing dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above-named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals, this 26th day of October, A.D. 1906.

Signed, sealed and delivered
In the presence of,
"W. J. D. EWART." } "GEORGE DENOON." (*Seal*) (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs,

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, John McLeod, of Milton, Co. of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the presence of,
"W. J. D. EWART." } "JOHN MCLEOD."

FOR VALUE RECEIVED, I, JOHN McLEOD, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of $100.00 dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals this 26th day of October, A.D. 1906.

Signed, sealed and delivered
In the presence of,
"W. J. D. EWART."

"JOHN MCLEOD."
"W. J. LINDSAY."

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs,

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, George Gastle, of Milton, Co. of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this twenty-sixth day of October, 1906.

In the Presence of
"W. J. D. EWART."

"GEORGE GASTLE."

FOR VALUE RECEIVED, I, George Castle, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, for which I have subscribed and upon which I have paid the sum of ($1,000.00) One thousand dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above-named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals this 26th day of October, A.D. 1906.

Signed, sealed and delivered
In the presence of,
"W. J. D. EWART."

"GEORGE CASTLE." (*Seal*)
"W. J. LINDSAY." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs,

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, William McLean, of Milton, Ont., Co. of Halton, hereby acknowledge that I have by assignment of even date, herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, Ont., this 26th day of October, 1906.

In the presence of,
"W. J. D. EWART." } "WILLIAM MCLEAN."

FOR VALUE RECEIVED, I, Wm. McLean, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of Fifty dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above-named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals this 26th day of October, A.D. 1906.

Signed, sealed and delivered
In the presence of,
"W. J. D. EWART." } "WILLIAM MCLEAN." (*Seal*)
"W. J. LINDSAY." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs,

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, Finlay McCallum, of Milton, County of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the presence of,
"W. J. D. EWART." } FINLAY MCCALLUM.

FOR VALUE RECEIVED, I, Finlay McCallum, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, for which I have subscribed and upon which I have paid the sum of Nine hundred and Eighty-three 67/100 Dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals, this 26th day of October, A.D. 1906.

Signed sealed and delivered
In the presence of
"W. J. D. Ewart."

"Finlay McCallum." (*Seal*)
"W. J. Lindsay." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

Between—

John Sproatt, and others,

Plaintiffs,

—and—

The Farmers Bank of Canada, and others,

Defendants.

I, Robert Hume, of Milton, County of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the presence of
"W. J. D. Ewart."

"Robert Hume."

FOR VALUE RECEIVED, I, Robert Hume, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, for which I have subscribed and upon which I have paid the sum of Nothing, dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals, this 26th day of October, A.D. 1906.

Signed, sealed and delivered
In the presence of,
"W. J. D. Ewart."

"Robert Hume." (*Seal*)
"W. J. Lindsay." (*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs.

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, John Sproatt, of Mansewood, County of Halton, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Mansewood, this 26th day of October, 1906.

In the presence of "W. J. D. EWART." } "JOHN SPROATT."

FOR VALUE RECEIVED, I, John Sproatt, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada for which I have subscribed and upon which I have paid the sum of Nothing, Dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby accept the said transfer and covenant and agree with the above named transferer to indemnify him and save him harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals this 26th day of October, A.D. 1906.

Signed, sealed and delivered in the presence of "W. J. D. EWART." } "JOHN SPROATT." (*Seal*)
"W. J. LINDSAY." (*Seal*)

FOR VALUE RECEIVED, I, Jane Shuert, hereby assign, transfer and set over unto W. J. Lindsay all my shares in The Farmers Bank of Canada, for which I have subscribed and upon which I have paid the sum of Thirty Dollars, and all my rights whatsoever under or by virtue of the said subscription, and I hereby appoint the said W. J. Lindsay my attorney for me and in my name to execute all necessary transfers or entries in the books of the said Bank to effectuate the said transfer, hereby satisfying all that my said attorney shall do in the premises.

And I, W. J. Lindsay, hereby, accept the said transfer and covenant and agree with the above named transferer to indemnify her and save her harmless from all and any liability in respect of the said subscription and shares.

WITNESS our respective hands and seals this 26th day of October, A.D. 1906.

Signed, sealed and delivered in the presence of "W. J. D. EWART." } "JANE SHUERT." (*Seal*)
(*Seal*)

IN THE HIGH COURT OF JUSTICE.

BETWEEN—

John Sproatt, and others,

Plaintiffs.

—AND—

The Farmers Bank of Canada, and others,

Defendants.

I, Jane Shuert, of Milton, Halton County, hereby acknowledge that I have by assignment of even date herewith assigned, transferred and set over unto W. J. Linsay all my shares in the Farmers Bank of Canada and all my rights whatsoever under or by virtue of my subscription for shares to the said Bank, and have now no interest in this litigation and desire that this action be not proceeded with.

Dated at Milton, this 26th day of October, 1906.

In the presence of "W. J. D. EWART." } "JANE SHUERT."

EXHIBIT 28.

Cheque for $10,000 *to W. J. Lindsay, December 6th,* 1906:

THE TRADERS BANK OF CANADA. No. 40.

Toronto, Ont., Dec. 6th, 1906.

Pay to W. J. Lindsay or order.....$10,000.00
Ten Thousand .....Dollars

THE FARMERS BANK OF CANADA.

Coms. W. R. TRAVERS,
Genl. Mangr.

Endorsed.—W. J. Lindsay.
Stamp.—The Traders Bank of Canada, Toronto, Ont.—Paid.—

EXHIBIT 29.

Letter Thomas Beattie to W. R. Travers, August 16th, 1906:

W. R. TRAVERS, ESQ.,
Farmers' Bank,
Toronto, Ont.

DEAR SIR:—

I am somewhat surprised at your letter.

It is fully one month since I wrote Mr. Lindsay that I could not see my way clear to accept seat on the Board; and some ten days ago he was in London, when I repeated the same to him in person.

Yours truly,
THOMAS BEATTIE.

London, August 16th, 1906.

EXHIBIT 30.

Three letters: Travers to Lindsay (1); *Travers to J. H. Spence* (2) *and* (3):

THE FARMERS BANK OF CANADA.

Toronto, July 28th, 1906.

W. J. LINDSAY, ESQ.,
Windsor, Ontario.

DEAR SIR:—

When you left me to-day you spoke of wiring. I do not think it is at all necessary. You have shown by your actions and refusal to sign a just, honorable, honest and righteous document, exactly what is in your heart. It will be useless for you to wire me because I could not respond and I do not think that you had better approach anybody as representing this Bank up there.

All the commissions that you are justly entitled to have been paid and there will be nothing due upon the notes until they are paid and I fancy a great many of the subscriptions will have to be cancelled. At all events I will likely have made new arrangements before you have returned as you have revealed a few thoughts to me that have been revolving around your heart.

Hoping you and Mrs. Lindsay will have a nice trip, I am,

Yours truly,
W. R. TRAVERS.

THE FARMERS BANK OF CANADA.

Toronto, August 23rd, 1906.

J. H. SPENCE, ESQ.,
Toronto, Ontario.

DEAR SIR:—

Referring to our conversation over the phone yesterday, Mr. Lindsay got a statement at the time I paid him all the commissions that were then supposed to be due in accordance with the *honest agreement between* us and he never had the *decency* to acknowledge the same. I do not feel disposed at present to give any further statements until Mr. Lindsay shows a disposition to act fairly and honestly in the matter. The stock that Mr. Lindsay was supposed to have obtained was allotted by the Board conditionally upon his handing in the original applications and the notes that he had taken being legal. The first condition has not been fulfilled and according to your own opinion, the notes are illegal, therefore, it is the intention of the Board to meet in the course of a day or two and rescind the motion of allotment and return all the notes to the makers.

My solicitor says the payment of commissions is illegal. I believe that is your own opinion and he thinks the proper course for me to take is to force Mr. Lindsay to refund the amount that has been paid under a misapprehension. He is considering the matter and will advise me in a day or two.

If you feel disposed to issue a writ, I will not be at all sorry as the Bank has very little likehood of going through now and such an action on Mr. Lindsay's part will shift the responsibility of the failure to organize from my shoulders.

Yours truly,
W. R. TRAVERS.

THE FARMERS BANK OF CANADA.

Toronto, August 25th, 1906.

J. H SPENCE, ESQ.,
Toronto, Ontario.

DEAR SIR:—

I have your letter of the 24th and you must change your mind very quickly for you certainly gave me such a verbal opinion when talking to you, and it corresponded with what Mr. Starr said.

If you will kindly refer to draft of agreement which I handed Mr. Starr which represents the *honest* understanding between Lindsay and myself, you will see that I am laying down something that is quite definite. I will not consent to anything else or pay another dollar of commissions until Mr. Lindsay keeps his word with me, writ or no writ. If he will agree to this or something nearly like it, there will be no trouble about an amicable settlement.

I enclose you a letter from Mr. Smith, my secretary, which will likely prove to you that Mr. Lindsay is quite mistaken in what he says. If he feels disposed to retire from the selling of the stock, all well and good. I have had endless correspondence and much trouble with numerous people representing thousands of dollars of the supposed subscriptions through his peculiar ways of doing business. I will likely have to cancel thousands of dollars of the supposed subscriptions.

The Provisional Board have never had any dealings whatever with Mr. Lindsay and repudiate any responsibility whatever in the matter.

Yours truly,
W. R. TRAVERS.

P.S.—Please note that my name is W. R. Travers.

EXHIBIT 31.

Agreement between Travers and Lindsay, dated (blank) day of August, 1906:

MEMORANDUM OF AGREEMENT made in duplicate this day of August, 1906,

BETWEEN —

W. R. TRAVERS, General Manager of the Farmer's Bank of Canada, of the City of Toronto, of the

First Part.

—AND—

W. J. LINDSAY, of the City of Toronto, of the

Second Part.

WHEREAS the party of the first part has entered into a contract with the Provisional Directors of the Farmers' Bank of Canada to sell the capital stock of that Bank, at a commission of ten per cent, and desiring the services of the party of the second part to place the same, it is mutually agreed that the net commission after payment of expenses and sub-agent's commissions on any and all stock placed by either party is to be equally divided between both parties, it being understood that the expenses of each party incurred outside the City of Toronto be

allowed before the final division; this Agreement to include all stock now placed since March 12th, 1906, and to be hereafter placed up to the first $500,000 of the capital stock of the said Bank.

AND IT IS FURTHER AGREED by and between the parties hereto that the party of the first part will, so soon as his contract with the Bank is confirmed by the Permanent Directors or he accepts the office of General Manager of the said Bank, obtain for the party of the second part, a contract for the selling absolutely of the second Five Hundred Thousand Dollars of stock in the said Farmers' Bank at a commission of ten per cent. on the amount sold, payable five per cent when first payment is made, by each subscriber and five per cent when stock is allotted, stock to be sold at such premium and on such terms of payment as the Board of Directors may determine.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals on the day and date above written.

SIGNED, SEALED AND DELIVERED in the presence of J. A. McKenna. | W. R. Travers. (*Seal*) W. J. Lindsay. (*Seal*)

EXHIBIT 32.

Bundle of correspondence between Travers and Lindsay in 1908:

March 3rd.

W. J. Lindsay, Esq.,

276 Jarvis St., Toronto.

Dear Sir:—

As all but three or four of the shareholders at Beachville refuse to settle on the usual grounds of misrepresentation by you, Col. Munro, the President, insists on the cancellation of the whole 19 shares of stock taken there and the Sub-Branch closed.

Before taking this step, I would like to hear from you.

Yours truly,

General Manager.

Agent for
Subscriptions of the Stock of
The Farmers Bank of Canada.

Toronto, March 10th, 1908.

W. R. Travers, Esq.,

Gen. Mgr., Farmers Bank, Toronto.

Dear Sir:—I have rec'd your letter of Mar. 3rd. In regard to the Beachville Shareholders and closing of Branch you, of course, will have to take what steps you deem wise. As for me, I utterly repudiate any misrepresentations of any kind whatever and will hold the Bank responsible for my commission. If the Bank is able to place before me any misrepresentations made at any time, I am ready to meet it.

Yours truly,

W. J. Lindsay.

March 11th, 1908.

W. J. Lindsay, Esq.,
276 Jarvis St., Toronto.

Dear Sir:—

In reply to your extraordinary letter of March 10th, I beg to state that the arrangement with you is that you get your commission when the premium is paid. Now, for every share of stock that you can arrange to have the premium paid thereon, we will pay you your commission, but we certainly will never pay you a dollar on subscriptions that people will not pay anything on, so it is up to you if you wish the commission to get these arranged.

I have been over in Beachville and interviewed the people, and they make some extraordinary statements. I do not for one moment say they are true, but I think for your own honor that you should have these arranged; otherwise, we are forced to strike them off our books. I have eight or ten letters from people at Arden, Verona and other places around Sharbot Lake positively refusing to pay a dollar on their subscriptions, saying they will resist it at law; and all come with about the same story, that you made promises that we certainly, if they were made, are not prepared to fulfill.

The Board will not permit any action to be taken against these people who have not paid anything, but will proceed to cancel the said shares, which they have the right, under the Bank Act, to do; in which case, I think we have overpaid you and it will be necessary for you to refund.

Yours truly,
General Manager.

THE FARMERS BANK OF CANADA.

Please address
"THE MANAGER".

March 18th, 1908.

Memo of Settlement with Mr. W. J. Lindsay, 30th September, 1907.

267 shares upon which payts. were made @ $10		$ 2,670
Paid W. J. Lindsay on account of above		2,200
Balance		470
Add Viz. Templeton's 100 shares @ $5		500
" London Committee 64 shares		320
" 146 shares upon which no payts. were made to be made good later		1,460
		$ 2,750
Paid W. J. Lindsay 30th September		3,000
Leaving cash due Bank in addition to 146 shares on which commission is paid in advance		$ 250
A/C now stands:		
Cash overpaid as above	$ 250	
Commission overpaid on 146 shares	1,460	
	$1,710	
Less 5 shares added London Com.	25	
Com. on 119 subs. upon which payments since made	1,190	1,215
Leaving balance to be made good	$ 495	
and Overdrawn a/c	2,134	
	2,629	

Against which we hold Subs. as per list for 248 shares, some of which, however, have been repudiated.

March 24th, 1908.

W. J. Lindsay, Esq.,
276 Jarvis St., Toronto.

Dear Sir:—

Enclosed you will find statement of account *re* commissions, which will show that you have overdrawn $2,629, against which there are 248 shares, as per list enclosed, on which no commissions have been paid and on which you are not entitled to any commission until the premium has been paid. These people have been canvassed and they all have pretty near the same story—that the subscriptions were obtained by misrepresentation, trickery and dishonesty, and they will not pay the same.

If you wish to act honestly with the Bank you will see to it at once that all these subscriptions are made good; otherwise, the Directors will desire them cancelled and you to refund what you obtained from us under a misconception.

If you wish to continue in the stock-selling line, or in any other business, take a tip from me to straighten this out yourself and not force us to take action and bring in all these people as witnesses to your strange way of transacting such kind of business.

Yours truly,

General Manager.

Toronto, Ont., March 26th, 1908.

W. R. Travers, Esq.,
General Manager, Farmers Bank,
Toronto, Ont.

Dear Sir:—

I beg leave to acknowledge receipt of your letter of the 24th inst., also of your letter of March 11th. Your statement only covers from the time of the organization of the Bank. You will recollect that I placed a large amount before the organization of the Bank, and would like a full statement of that, as well as the statement you have just sent me. Let me say that it is very easy for any person to say that their subscription was obtained by "trickery, misrepresentation and dishonesty." I do not believe that you can produce any subscriber who will make any such statement, and if subscriptions are not being paid it is because of the odor connected with the Bank and not because of anything done by me. Consequently, if the Bank does not put these people to proof of what they say, I will certainly have to claim my commission. No institution that I can think of would dream of allowing a subscriber to escape paying his subscription merely because he said that things had been misrepresented to him. I should like to know the names of all those who are refusing payments on the ground that I have misrepresented matters to them. I am convinced that if the Bank makes an honest effort to collect these subscriptions there will be no trouble. But if the Bank does not do its part, I am certainly not going to contribute anything to the Bank by way of giving up any part of my commission. Kindly let me have statement in full.

Yours truly,

W. J. Lindsay.

April 8th, 1908.

W. J. Lindsay, Esq.,
276 Jarvis St., Toronto.

Dear Sir:—

Yours of the 26th received. You had no contract with this Bank before the organization, but you had one personally with we, which I have more than

carried out as about half the subscriptions you took had to be cancelled on account of no payments being made thereon, and you should refund several thousand dollars' commission improperly paid on the same.

The arrangement made between you and the Board required the premium of $25 to be paid on every share before you were entitled to any commission. I sent you a list the other day of those who had paid nothing, and unless you can make these subscriptions good by which we can credit your account now overdrawn $2,629, through my generosity, and because of the belief that I had that you had honest and proper subscriptions the commissions on which would produce this amount, the Board will cancel this stock at their meeting on the 15th and we will enter suit against you for payment of the overdraft.

It is strange that we have had no difficulty with any of the stock subscribed by other agents. Nearly every subscriber you got says their subscription was obtained by fraud. Mind you, I am not accusing you of wrong doing, but to show you the difficult task I had ahead of me to find ways and means to relieve subscribers to the extent of a couple of hundred thousand dollars to avoid similar actions to that of Mrs. Meyers, where your own evidence would have defeated us. Here is what John Kennedy, Pontypool, says (just received): "He claims that he did not subscribe for this share of stock, but only told the agent that he could put down his name to help get other subscribers, and that we could take what action we liked, he would not pay it; that the agent told him he would never be called upon for the payment." Enclosed is a copy of a letter from Oscar M. Wilson, Springford, which speaks for itself, and we have many, many more like it.

On further consideration, you must come to the conclusion that you have an honest duty to perform.

Yours truly,

General Manager.

THE TECUMSEH.

GEO. H. O'NEIL,
Proprietor.

London, Canada, April 13, '08.

W. R. Travers, Esq.,
General Manager, Farmers Bank,
Toronto, Ont.

Dear Sir:—

I beg leave to acknowledge receipt of your letter of the 8th, and also all others dealing with similar matters. In reply thereto, I now warn you formally, and you will please bring this matter to the attention of the Bank, that if the Bank cancels any of the stock subscriptions procured by me at this meeting, to be held on the 15th, or any other meeting, that I will look to the Bank for my commission on such cancelled stock and expect the Bank to pay. I take this stand because in the first place I am positive that all the stock subscription are genuine and were taken without any misrepresentations on my part, and, secondly, because I know if the Bank makes an honest effort to collect these subscriptions there will be no trouble in having the subscribers live up to their signatures. As I take when I hand you a stock subscription my duty is over, and it is then the duty of the Bank to collect the subscriptions. Referring especially to the letter of John Kennedy, of Pontypool, I should think that on the statement you sent that he could be made to pay up his stock; as to the letter of Wilson, I do not believe that any court would believe such a nonsensical statement as he seems to have written,

and if these are the best that your Bank can produce as to my misrepresentations I certainly think it is your duty to compel such people to pay up. The contract which you claim to be personal with you, as to my commission, I certainly must have a full statement of, as well as a statement of the other. I do not wish to get into a tangle with you or the Bank over the commission due me, but I certainly intend to have all that is coming to me. You have evidently forgotten that the so-called personal contract was confirmed by you after you became *General Manager of the Bank*. I beg to call your attention to the written contracts between myself and the Bank; if you will read this carefully you will find that I am entitled to a very large amount of commission still to be paid by the Bank.

Yours truly,

W. J. LINDSAY.

P.S.—I am in receipt of a letter this day from a London gentleman, making inquiry about the balance of the Bank shares; wishing to take on the balance of the issue for London account. You will please let me know what amount is now unsubscribed. I may go to London to complete about 18th May or before.

Yours truly,

W. J. LINDSAY.

W. J. Lindsay, Esq., April 14th, 1908.
276 Jarvis St., Toronto.

Dear Sir:—

In reply to yours of the 13th, the position between you and this Bank is exactly as stated in my last letter. You know your bargain with our Directors and you know very well you are not entitled to any commission until the premium is paid upon the shares.

We have gone out of our way to see all the subscribers of the 248 shares, a list of which I sent you, and it is the same old story all around. It is not and never was any part of our business to collect those subscriptions until you had collected the premium on the same. You do not think you are competent to tell us what our business is—surely not.

Section No. 37 of the Bank Act gives the Directors power to cancel any subscription upon which 10% has not been paid up. If you have any claim against me, render your account. According to the way I figure it, I have overpaid you many thousands.

All the stock of this Bank is now subscribed for, and the only way the English people can get any stock, if they want it, is to get it from the Winnipeg people. Even if it were not all taken, the Directors would not allot any subscription obtained by you unless there was a marked cheque attached to it for payment in full.

Yours truly.

Toronto, Ont., April 27th, 1908.

W. R. Travers, Esq.,
Farmers Bank, Toronto, Ont.

Dear Sir:—

I am in receipt of your letter of the 14th inst. I do not see that any advantage is to be gained by further correspondence. I simply reiterate my position taken in my letter of the 16th inst., and will certainly look to the Bank for my

full commission. As you say in your letter of the 15th that you have over paid me many thousands, I would suggest that you make a full report to the Directors of the Bank in the matter. The sooner everything is brought to a head the better from my standpoint.

Yours truly,
W. J. LINDSAY.

Toronto, Ont., April 30th, 1908.

W. R. Travers, Esq.,
Farmers Bank, Toronto, Ont.

Dear Sir:—

I am in receipt of your letter of the 23rd inst., enclosing a letter received from D. Frank Ford. When I canvassed Mr. Ford I canvassed him with Mr. Luxton, of Milton. I enclose a copy of Mr. Luxton's reply. Need anything further be said as to this matter? Please note that Mr. Luxton hints at the repudiation of the subscription to the Farmers Bank as not due to anything said by him in canvassing, but to the estimation in which the general public apparently now hold the Bank.

Yours truly,
W. J. LINDSAY.

W. J. Lindsay, Esq., May 5th, 1908.
276 Jarvis St., Toronto.

Dear Sir:—

Yours of the 27th and 30th received, the latter enclosing a copy of a letter of Luxton's which my solicitor will deal with.

If the Bank is in bad odor, it is entirely due to the ways and methods that you took to obtain stock. I can hardly imagine that when practically everybody that you approached tells the same story that they can all be lies. The general public must take a different view of the Management from that of yours and Luxton's, two such able men to judge of such a matter. Our deposits are steadily going up, they having increased over $100,000 in the last month or two, while all other Banks' are going down, and a larger, more agreeable and satisfied meeting of shareholders was never held by any bank as was held by this Bank on the 19th day of February last.

I am not anxious for any correspondence with you, but would like you to straighten out the apparent bogus subscriptions upon which I was good enough to advance you $2,629, thinking you were honest, and unless you see fit to make these subscriptions good I shall be obliged under the order of my Board to place the matter in the solicitor's hands.

I do not require your advice as to what I shall or shall not put before my Directors. My past experience has been that I get on better with them when I do not mention your name at all. You have all the statements that we intend to furnish you, as we have no time to go over the ground every few days. You are well aware of the position of affairs. We also hold your receipt in full as against the Bank and myself up to the 30th of September, 1907. We would much prefer to have these subscriptions made good than have them cancelled and you refund. We have written to every one and have had our Managers approach each and every man in their Section, and I do not think there is a possible chance of getting anything paid on them unless you take the matter up yourself.

Yours truly,
General Manager.

EXHIBIT 33.

Copy of transactions re Farmers Bank matters by J. J. Warren of W. G. Mitchell & Co., certified correct copy by W. G. Mitchell:

W. G. MITCHELL & CO., Toronto — Account No. 5.

Sheet No. 1.

J. J. WARREN.

Date	Folio	Particulars	Dr.	Cr.	Dr. cr. Cr.	Balance	Securities	Days	Rate of Int.	Int.
1906										
Dec. 6.	185	ck. Traders Bank..		30000	Cr.					
	186	" Trusts & Guar..	30000			ø				
7.	187	" Traders Bank..		25000						
	188	" Trusts & Guar..	25000			ø				
17.	189	" Traders Bank..		2560581						
	188	" Trusts & Guar.	2560581			ø				
			8060581	8060581						

I hereby certify that the above is a correct copy of the transactions referred to re Farmers' Bank matter.

W. G. MITCHELL.

EXHIBIT 34.

Letter Travers to Dixon, October 27th, 1906:

THE FARMERS BANK OF CANADA.

Toronto, October 27th, 1906.

W. A. DIXON, ESQ.,

Milton, Ontario.

Dear Sir:—

Mr. Justice Anglin to-day dismissed the action brought by William Laidlaw, K.C., against this Bank and as your application and notes were filed in Court, I am unable to return them until after Wednesday next but will then send your notes back to you.

You will understand, however .that you are relieved from all responsibility under your application for fifty shares of stock in this Bank and while we regret that you are not now one of our subscribers, we are pleased that you are entirely satisfied.

Yours truly,

W. R. TRAVERS,

General Manager.

EXHIBIT 35.

Nine cheques, seven signed by Travers, two by C. H. Smith:

THE TRADERS BANK OF CANADA. No. 9

Toronto, Ont., Nov. 12th, 1906.

Pay to W. R. Travers or order.....$250.00
Two Hundred and Fifty.....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
W. R. TRAVERS, *Sec.-Tr.*

Endorsed.—W. R. Travers.
Stamp.—The Crown Bank of Canada, Toronto, Ont. Paid 12 November, 1906.

THE TRADERS BANK OF CANADA. No. 16

Toronto, Ont., Nov. 21st, 1906.

Pay to W. R. Travers or order.....$1000.00
One Thousand .....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
W. R. TRAVERS, *Sec.-Tr.*

Endorsed.—W. R. Travers—
Pay to the order of the Traders Bank of Canada for deposit to the credit of The Farmers Bank of Canada.

W. R. TRAVERS, *Sec. Tr.*

Stamp.—The Traders Bank of Canada, Toronto, Ont. 22 Nov. 1906.

THE TRADERS BANK OF CANADA. No. 17

Toronto, Ont., Novbr. 23rd, 1906.

Pay to W. R. Travers or order.....$1,000.00
One thousand ..... Dollars

THE FARMERS BANK OF CANADA

A. S. LOWN, *Chairman.*
W. R. TRAVERS, *Sec'y.-Treas.*

Endorsed.—W. R. Travers.
Stamp.—The Crown Bank of Canada.
Stamp.—The Traders Bank of Canada, paid Nov. 24, 1906.

THE TRADERS BANK OF CANADA. No. 44

Toronto, Ont., Dec. 8th, 1906.

Pay to W. J. Lindsay or order.....$1,000.00
One Thousand .....Dollars

THE FARMERS BANK OF CANADA.

W. R. TRAVERS,
General Manager.

Endorsed.—W. J. Lindsay.
Stamp.—Bank of Montreal, Toronto, Dec. 8, 1906.
Stamp.—The Traders Bank of Canada. paid Dec. 10, 1906.

THE TRADERS BANK OF CANADA No. 23

Toronto, Ont., Nov. 27th, 1906.

Pay to W. R. Travers or order.....$100.00
One Hundred .....Dollars

THE FARMERS BANK OF CANADA.

W. R. TRAVERS,
Genl. Mangr.

Endorsed.—W. R. Travers.
Stamp.—The Bank of Montreal, paid Nov. 28, 1906.

THE TRADERS BANK OF CANADA. No. 37

Toronto, Ont., Dec. 6th, 1906.

Pay to W. H. Hunter or Order.....$250.00
Two Hundred Fifty .....Dollars

THE FARMERS BANK OF CANADA.

W. R. TRAVERS,
Genl. Mangr.

Endorsed.—W. H. Hunter.
Stamp.—The Traders Bank of Canada, paid Dec. 7, 1906.

THE TRADERS BANK OF CANADA. No. 379

Toronto, Ont., Nov. 1st, 1906.

Pay to Watson, Smoke & Smith or Order.....$260.00
Two Hundred and Sixty.....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
W. R. TRAVERS, *Sec.-Treas.*

Endorsed.—Watson, Smoke & Smith.
Stamp.—The Traders Bank of Canada, paid. Toronto, Nov. 3, 1906.

THE TRADERS BANK OF CANADA. No. 250

Toronto, Ont., June 5th, 1906.

Pay to W. R. Travers or Order.....$1805.00
Eighteen hundred & five.....Dollars

THE FRAMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
C. H. SMITH, *Sec'y. Treas.*

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, paid. Toronto, Ont., June 6, 1906.

10262

THE TRADERS BANK OF CANADA

SAVINGS BANK DEPARTMENT

Credit W. J. Lindsay.

Occupation.....

P. O. Address .....

Deposited by W. R. T.

6 day of June, 1906.

Check	+	1 =	1805	
less	+	2 =	615	50
	+	4 =		
	+	5 =		
	+	10 =		
	+	20 =		
	+	50 =		
Copy	+	100 =		
	+	500 =		
		$	$1189	50

N

No. 10262

THE TRADERS BANK OF CANADA

SAVINGS BANK DEPARTMENT

Credit W. J. Lindsay.

Occupation.....

P. O. Address .....

Deposited by W. R. T.

23 day of May, 1906.

	+	1 =		
	+	2 =		
	+	4 =		
	+	5 =		
Copy	+	10 =		
	+	20 =		
	+	50 =		
	+	100 =		
	+	500 =		
		$	$1986	

A

THE TRADERS BANK OF CANADA. No. 240

Toronto, Ont., May 23rd, 1906.

Pay to W. R. Travers or Order.....$3000.00
Three Thousand .....Dollars

THE FARMERS BANK OF CANADA.
A. S. LOWN, *Chairman.*
C. H. SMITH, *Sec'y.-Treas.*

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, paid 23 May, 1906.

EXHIBIT 36.

Traders Bank cheque, signed by Travers, dated Dec. 7th, 1906, for $5,000.00:

THE TRADERS BANK OF CANADA. No. 43

Toronto, Ont., Dec. 7th, 1906.

Pay to W. R. Travers or Order.....$5000.00
Five Thousand .....Dollars

THE FARMERS BANK OF CANADA.
W. R. TRAVERS,
General Manager.

Endorsed.—W. R. Travers.
Stamp.—Traders Bank of Canada.—Paid—

EXHIBIT 37.

Letter Beattie Nesbitt to Travers, May 10th, 1910:

Toronto, May 10th, 1910.

DEAR MR. TRAVERS:—

Referring to our conversation of yesterday, I remember well being in your office, then up stairs, on December 6th, 1906, and W. J. Lindsay coming in and handing me a parcel of Traders Bank Notes to the amount of $5,000; they were Hundred Dollar bills, if I remember rightly. This was in accordance with a private arrangement I had with him.

Yours truly,
BEATTIE NESBITT.

W. R. TRAVERS, ESQ.,
Gen. Mgr. The Farmers Bank of Canada,
Toronto.

EXHIBIT 38.

Application for stock (100 *shares*) *by Beattie Nesbitt, dated Oct. 22nd,* 1906:

APPLICATION FOR STOCK.

To the Secretary of the Farmers' Bank of Canada,

Sir:—

I hereby apply to the Provisional Directors or the Directors of The Farmers Bank of Canada for One Hundred shares of the Capital Stock of the said Bank of the par value of $100 each, at the price of $100.00 per share.

And I hereby agree with The Farmers Bank of Canada to accept the shares now applied for or any lesser number that may be allotted to me, and to pay for the same as follows $10.00 per share upon the signing hereof, a further $20.00 per share upon allotment, and seven equal monthly payments of $10.00 each per share, the first of such payments to be made thirty days after allotment, and the succeeding payments at intervals of thirty days. I reserve to myself the right to pay these shares in full upon the allotment on the terms of the prospectus.

I hereby make and appoint the Secretary of the Provisional Board as my attorney to sign and subscribe my name to the Subscribers' Agreement in the Stock Books of the said Bank, and to accept such shares as may be allotted to me and to register me therein as the holder of the said shares.

I further hereby make and appoint (as a term of my application for shares hereinbefore contained) W. R. Travers my proxy to vote for me and in my behalf at all meetings of the Shareholders or Subscribers of the stock of the said Bank, and at any adjournment thereof, at which I may not be personally present, upon and in respect of all shares of The Farmers Bank of Canada which shall be allotted or transferred to me.

Cheques, drafts, money order, and other remittances on account of stock subscriptions should be made payable to "The Farmers Bank of Canada" and payments made otherwise entirely at subscribers' risk.

Signature, William Beattie Nesbitt.
Date, Oct. 22nd, 1906.
Name in full, W. Beattie Nesbitt.
Occupation, Registrar.
Address, 71 Grosvenor St., Toronto.

EXHIBIT 39.

Four cheques payable to Travers signed by Lown and C. H. Smith, all dated 4th July 1906:

THE TRADERS BANK OF CANADA. No. 283

Toronto, Ont., 4th July, 1906.

Pay to W. R. Travers or Order.....$2500.00
Two thousand & five hundred.....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*

C. H. SMITH, *Sec'y.-Treas.*

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, Toronto, Ont., paid July 4, 1906.

THE TRADERS BANK OF CANADA. No. 285

Toronto, Ont., 4th July, 1906.

Pay to W. R. Travers or Order.....$2000.00
Two thousand .....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
C. H. SMITH, *Sec'y.-Treas.*

Countersigned:

W. R. TRAVERS,
General Manager.

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, Toronto, Ont., paid July 5, 1906.

THE TRADERS BANK OF CANADA. No. 282

Toronto, Ont., 4th July, 1906.

Pay to W. R. Travers or Order.....$2500.00
Two thousand five hundred.....Dollars

THE FARMERS BANK OF CANADA

A. S. LOWN, *Chairman.*
C. H. SMITH, *Sec'y.-Treas.*

Countersigned:—

W. R. TRAVERS,
General Manager.

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, Toronto, Ont., paid. July 9, 1906.

THE TRADERS BANK OF CANADA. No. 284

Toronto, Ont., 4th July, 1906.

Pay to W. R. Travers or Order.....$3,000.00
Three thousand .....Dollars

THE FARMERS BANK OF CANADA.

A. S. LOWN, *Chairman.*
C. H. SMITH, *Sec'y.-Treas.*

Countersigned:—

W. R. TRAVERS,
General Manager.

Endorsed.—W. R. Travers.
Stamp.—The Traders Bank of Canada, Toronto, Ont., paid. July 7, 1906.

EXHIBIT 40.

Cheque of the Trusts & Guarantee Co. Ltd., for $80,000 *with copy attached, dated Oct.* 11*th*, 1906:

Negotiable without charge at any Office of The Ontario Bank.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. A 5009 Toronto, 11 Oct. 1906.

Pay to the order of The Bank of Montreal.....$80,000.00

Eighty Thousand .....Dollars

For credit of The Farmers Bank of Canada with the Finance Minister & Receiver General.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

BANK OF MONTREAL
TORONTO.

"J. R. STRATTON",
President.

Countersigned—

"A. G. Ross",
Accountant.

"JAMES J. WARREN",
Manager.

Endorsed.—The Bank of Montreal.
Stamp.—The Ontario Bank, Toronto, paid 17 October, 1906.

EXHIBIT 41.

Pass Book Traders Bank in account with Farmers Bank:

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Jan. 21	Dep.	15	A	50	1,903.82	
24	"	2,898.55	A	300	125	
	Savings	360	A	200	29.25	
25	Dep.	250	A	153.75	2,005.48	Bal. @ end 14 Feb.
Feb. 2	"	145	A	192		
6	"	395	A	80		
				10		
				25		
				96		
				100		
				162		
				81		
				32		
				40		
				60		
				207.07		
				40		
				75		
		$4,063.55		$1,903.82	$4,063.55	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Feb. 14	Bal.	2,005.48		25	1,202.20	
17	Dep	200	A	55	100	
Mar. 4	"	270	"	216.40	111.25	
9	"	315	"	12	50	
Apl. 5	"	140		50	1,617.03	Bal.
7	"	150		75		
				20		
				20		
				101.35		
				80.45		
				12		
				25		
				55		
				200		
				35		
				150		
				50		
				20		
		$3,080.48		$	$3,080.48	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Ap. 29	Bal.	1,617.03	H	12		
May 9	Dep.	150	A	75		
26	"	106	A	30		
31	"	300	A	30		
				30		
				13		
				10		
				55		
				78.30		
				40.30		
				1,799.43	Bal.	
		$2,173.03		$2,173.03	$	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
May 31	Bal.	1,799.43	G	9		
June 9	Dep.	35	"	4.65	50	
July 22	Dep.	50	C	121	5	
29	"	260	C	55	50	
Aug. 3	"	50	C	100		
26	"	120	C	30		
				100		
				8	1,097.78	
				25		
				55		
				25		
				50		
				75		
				250		
				25		
				4		
				100		
				50		
				25		
		$2,314.43		$	$2,314.43	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Aug. 31	Bal.	1,097.78		100		
Sept. 5	Dep.	389		70		
7	"	500		250		
11	"	15		4		
25	"	14		20		
26	"	100		20		
				200		
				24.14		
				50		
				25		
				2.80		
				100		
				50		
				20		
				1,179.94	Bal.	
		$2,115.78		$2,115.78	$	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount.	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Sept. 30	Balance	1,179.84	G	12		
Oct. 5	Dep.	125		50		
13	"	36	G	4		
				15		
				1.74		
				50		
				13		
				50		
				50		
				25		
				150		
				25		
				895.10	Bal.	
		$1,340.84		$1,340.84	$	$

Dr. THE TRADERS BANK OF CANADA *in acc't with* THE FARMERS BANK OF CANADA. *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Oct. 31	Balance	895.10	W	25	489.40	
Nov. 14	Dep.	1,000	G	25	50	
15	"	200	G	4	25	
20	"	200	B	8	25	
22	"	400	B	10	50	
25	"	25		10	20	
"	"	150	G	50	7.30	
Dec. 7	"	600	G	3	75	
11	"	3,073.75	G	25	24.36	
				10	25	
				4.30	5,752.79	Bal.
				25		
				25		
				25		
				75		
				10		
				26.10		
				125		
				4		
		$6,543.85		$	$6,543.85	$

Dr. THE TRADERS BANK OF CANADA *in acc't with* THE FARMERS BANK OF CANADA. *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1905						
Dec. 30	Bal.	5,752.79	G	100	498.63	
1906						
Jan. 4	Dep.	200	G	8	25	
8	"	150	G	3	5	
11	"	100	G	25	4.25	
Feb. 6	"	100		8	100	
16	"	100	G	25	100	
				6	5,669.91	Bal.
				50		
				4.90		
				25		
				24.73		
				4		
				50		
				25		
				25		
				25		
				25		
				10		
				55		
		$6,402.79		$	$6,402.79	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
Feb. 28	Bal.	5,669.91	S	39.38		
			G	25		
Mar. 6	Dep.	150	G	4		
9	"	397.50	G	25		
20	"	433.50	G	10		
30	"	342.50	G	4.60		
				25		
				10		
				300		
				250		
				8.40		
				6		
				100		
				25		
				10		
				2.65		
				6,214.38	Bal.	
		$7,059.41		$7,059.41	$	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906				280		
Mar. 31	Bal.	6,214.38	H	50	1,069.05	2,718.22
April 3	Dep.	380	G	92.50	8.40	7,609.37 Bal.
4	"	110	G	20	25	
6	"	699.30	G	25	8	
20	"	1,179.60		11.50	15	
24	Ferguson	100.81		45	100	
25	Dep.	1,089		20	45	
30	"	54.90		114.50	211.90	
	Leslie	399.60		100	25	
	Dep.	100	G	4	9.10	
				15	8	
				20	4.16	
				54.20	5	
				8	500	
				99	400	
				25	200	
				64.35	1.61	c/s F 2 1/166
				15	8	
				15	75	
		$10,327.59		$	$	$10,327.59

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
April 30	Bal.	7,609.37		179.50	4,937.75	
May 4	Leslie	501.61		4	352	
	Dep.	1,914.80		25	55	
5	"	1,305.97		11.75	50	
7	"	179.75		110	25	
8	"	590		30	20	
9	"	818.47		1,325	8	
	"	4,034.98	G	635	86	
10	"	994.81		50	3,000	
	"	279.82	G	1,114.50	500	
11	"	2,619.85	G	10	2.30	
12	"	1,467.25	G	1,114.50	50	
14	"	1,979.80		6	8	
	"	1,103	G	5.50	50	
15	"	380	G	8	48.65	
16	"	109.90		100	Elliott	
	"	49.90		8	25	
	" Elliott	100	G	3	27,356.72	Bal.
19	"	1,658.34	G	198		
		$27,697.62		$	$36,574.42	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906	Fowd.	27,697.62				
May 19	Dep.	97.50	G			
21	"	3,069.90	G			
	"	860				
22	"	352	G			
23	"	1,188.80	G			
25	"	140				
	"	78	G			
26	"	149.80	G			
	"	1,891.40	G			
28	"	1,049.40	G			
		$36,574.42		$	$	$

Dr. THE TRADERS BANK OF CANADA in acc't with the FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
May 31	Bal.	27,356.72	G	5.78	2,443.88	
June 2	Dep.	3,317.50		8	36	
4	"	1,449.40		40	25	
5	"	310	G	70	Bell	
7	"	1,289.65	G	4	100	Osborn
8	"	229.82	G	75	Kelly 60	
12	"	149.85		1,895	50	
	"	94.90	G	30	151	
15	" Kelly	75		15	136.05	
	"	100	G	125	29.40	
16	"	1,508.92	F	50	1.25	
18	"	2,524.62	F	50	20	
19	"	900	F	10	70.75	
20	"	230	F	25	1.50	
22	"	99.90	F	25.80	25	
	Switzer	50	F	33	4	
25	Dep.	100	F	7.30	3.26	
	"	650	F	40	37,628.99	B.I.
				25		
		$40,436.28		$	$40,786.08	$

Dr. THE TRADERS BANK OF CANADA in acc't with the FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
		40,436.28				
June 26	Dep. Osborn	100				
	"	99.90	F			
27	"	49.90	F			
28	"	100	F			
		$40,786.08		$		

Dr. **THE TRADERS BANK OF CANADA** *in acc't with the* **FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
June 30	Bal.	37,628.99	S	16	12,503.35	20,574.99
July 3	Dep.	75		10	1.60	25
	"	4,524.33	G	387.50	57.38	225
	"	49.65		2,500	5.50	12
6	"	709.75	G	2,000	50	152
	Error	3		130	4,500	Eaton
7	Dep.	484.90	G	125	3,000	Eaton 750
	"	878.11		750	5.25	502.11 McCann
	"	1,482.71		3,000	90	12.50
	"	749.20	G	195	16	75
9	"	30	G	19	15	6.25
10	"	10		2,500	2.40	85
	"	536.27	G	10.50	4.65	63.310.90
12	"	7,810	G	150	25	
	" Ford	200	G	2.50	132.50	Bal.
	"	1,717.90	G	4.35	1.36	
14	"	20		12.50	165	
	"	5,841.50	G	500	McCann	
16	"	824.95	G	200	Ford	
		$63,575.26		$12,503.35	$20,574.99	$85,843.75

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initial	Cheques	Cheques	Cheques
		63,575.26				
July 17	Dep.	1,446.97	G			
18	"	1,729	G			
19	"	1,316.28	G			
20	" Eaton	7,500	G			
21	"	160	G			
23	"	1,321.67	G			
24	"	1,110.34	H			
26	McCann $500 A. Cartwright 1,000 Less ex. $1.50	1,498.50	G			
	"	40	G			
	"	199.90	G			
27	"	455	G			
28	"	875.72	G			
30	"	1,349.35				
31	"	1,635.76				
	"	1,630	G			
		$85,843.75		$	$	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
July 31	Bal.	63,310.90	H	60	3,842.73	
Aug. 1	Dep.	2,829.40	G	200	500	Ford
	"	679.40	G	25	15	
2	"	900	G	144	25	
3	"	1,084.90	G	12.50	25	
4	"	3,597.65	G	20	230	
7	" McCann	500		25	25	
	"	4,458	G	10	4.70	
	"	151.38	G	80	75	
8	"	380	B	12.50	102,494.63	Bal.
9	"	329.90	G	1.47		
11	"	1,105		26	Wire Milton	
	"	100	G	25		
13	"	2,916.08	G	2		
14	"	1,424.29	G	25		
16	"	2,189.25	G	30		
	"	805	G	3,000	McKerlie	
18	"	1,110.63	G	150		
	"	294.87	G	20		
		$88,166.75		$3,842.73	$107,237.06	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
		88,166.78				
Aug. 18	Dep.	4,300	G			
	"	729.20	G			
20	"	667.96	G			
23	"	2,116.90	G			
	"	200	G			
24	"	699.30	G			
25	"	1,703.75	G			
27	"	2,204.90	G			
28	"	440	G			
29	"	120	G			
	McKerlie	3,000				
30	Dep.	248.50	G			
31	"	2,139.80	G			
	Ford	500	G			
		$107,237 06		$	$	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
Aug. 31	Balance	102,494.63	M	8		
Sept. 1	Dep.	3,297.60	G	6		
4	"	1,219.74		12.50		
5	"	3,749.15		40		
6	"	759.90		50		
	Burns	40		125		
7	Dep.	733.35	G	75		
8	"	2,050	G	25.50		
10	"	1,528.79	G	37.50		
13	"	875.23	G	450		
15	"	410.28	G	217.50		
17	"	464.40	G	50		
18	"	379.90	G	6.35		
20	"	2,186.81	G	12.50		
"	"	2,099.90	B	75		
21	"	320	G	131,358.90	Bal.	
22	"	250	G			
24	"	2,730.99	G			
25	"	579.55	G			
		$126,170.22		$132,549.75	$	$

Dr. THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA. Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906		126,170.22				
Sept. 26	Dep.	700	G			
27	"	35	G			
28	"	2,720.72				
29	"	2,923.81	G			
		$132,549.75		$	$	$

Dr. **THE TRADERS BANK OF CANADA in acc't with THE FARMERS BANK OF CANADA.** Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
Sept. 29	Bal.	131,358.90	W	6	150,996.50	
Oct. 1	Dep.	879.40		25	25	
2	"	2,297.20		25	150	
				15	15	
	Int.	690.56		25	13.50	
3	Dep.	429.90	G	15	656.15	Bal.
5		941.74	B	50		
	Lond. & West.	6,087.34		12.50		
6	Dep.	1,979.90	G	15		
8	"	299.90	G	25		
	Webster	49.90	G	12.50		
9	Lon. & West. Trst.	1,475.85		25		
10	Dep.	1,220	G	100		
11	"	1,049.90	G	150,000		
12	"	2,000	S	25		
13	"	550.37	G	5		
19	"	218.55	G	600		
20	"	110	G	13.45		
23	"	216.74	G	2.05		
		$151,856.15		$	$151,856.15	$

Dr. **THE TRADERS BANK OF CANADA in acc' with THE FARMERS BANK OF CANADA.** Cr.

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
Oct. 31	Balance	656.15	G	8	3,095.98	
Nov. 2	Dep.	530	G	260	12.50	
5	"	79.80	G	50	776.85	Bal.
7	"	70	G	12.25	12.50	
15	"	60.45	G	37.50	25	
16	"	810	G	2	64	
22	"	1,520.43	G	75		
24	"	150	G	65		
27	"	110	G	250		
				12.50		
				3.23		
				3		
				1,000		
				112.50		
				1,000		
				70		
				25		
				100		
				10		
		$3,986.83		$3,095.98	$3,986.83	$

Dr. **THE TRADERS BANK OF CANADA** *in acc't with* **THE FARMERS BANK OF CANADA.** *Cr.*

Date	Particulars	Amount	Ledger Keeper's Initials	Cheques	Cheques	Cheques
1906						
Nov. 30	Bal.	776.85	C	62.50	75,321.56	
Dec. 3	Dep.	245,889.80	G	110	4	
5	"	220	G	750	117	
6	"	39.90	G	30,000	112.50	
7	"	50	G	46.28	25,605.81	
"	"	5,000	G	10,000	181.65	
14	"	2,261.13	G	196.98	1,800	
17	"	500	G	12	25,015.63	
31	Int.	264.16	G	2,498.60	50,000	
				250	2,000	
				25,000	74,579.53	
				1.20	264.16	Balance
				5,000		
				21		
				10		
				12.30		
				1,000		
				50.70	Tullis	
				300		
		$255,001.84		$	$255,001.84	$

NOTES FOR COLLECTIONS.

June 19—J. C. Switzer, paid $50, June 21.

19—Thos. Howden re d., $50, June 28; July 2, rtd.

July 21—W. T. Seech, paid $40, Aug. 21/6.

Sept. 18—W. T. Newman on Webster Bros., Vancouver, B.C., $50, pd. Oct. 8.

20—London & West. Bank Co., $7,563.19; Oct. 9, pd.; Oct. 6 re d., $6,087.34; Oct. 9, re d. $1,475.85.

24—F. B. Stevens, Detroit, $1,200, retd. u.p.

EXHIBIT 42.

Statement re payment of $80,000 loan by Travers:

Name, Farmers Bank of Canada. Address, Stair Bldg., Toronto. Rate, 3½%. Occupation, Bank.

Date 1906	Withdrawal	Deposit	Interest	Dr.	Cr.	Initials	Check	Balance	Number of days	Dr.	Cr.	Interes Check	Balance
Dec. 6		✓			$30000.00	N	✓	$30000.00	26		$74.79		
Dec. 7		✓			25000.00	N	✓	55000.00	25		59.93		
Dec. 17		✓			25605.81	N	✓	80605.81	15		36.83		$171.55
Dec. 31			✓		171.55	A	✓	80777.36		$171.55			∅
Dec. 31						A		80777.36	71		$549.93		
1907	Trans.	New	Led.	$80777.36		E		∅					

Name, Farmers Bank of Canada. Address, Stair Building, City. Occupation, Bank. Rate, 3½%, Payable.

Date	Dr. or Cr.	Dr.	Cr.	Initials	Check	Balance
1907						
Nov. 9	From 1100 O. L.		$80777.36	E		$80777.36
Dec. 13	Tr. Call Loans.	$80777.36			✓	∅

EXHIBIT 43.

Letter, Warren to Travers, dated October 10th, 1906, and receipt Warren to Travers, dated October 11th, 1906:

TORONTO, October 10th, 1906.

W. R. TRAVERS, Esq.,

Farmers Bank of Canada, City.

DEAR SIR:—

I wish to put on record our understanding of to-day that the $80,000 has been available since yesterday, and that the rate of interest agreed upon will be payable in respect of it from this time on.

Yours truly,

JAMES J. WARREN,

Manager.

Dict. J. J. W.

C. C. M.

TORONTO, October 11th, 1906.

Received from W. R. Travers, Esq., notes amounting to the sum of one hundred thousand, nine hundred and fifty-five dollars, as per list furnished us by the Provisional Directors of Farmers' Bank of Canada. A cheque will be given to you for sum of eighty thousand dollars the amount of the loan to be made by this Company on the security of said notes, to-morrow.

The Trusts and Guarantee Company, Limited,

JAMES J. WARREN,

Manager.

EXHIBIT 44.

List of notes re Travers' Loan, dated March 12, 1907:

Geo. Robinson	$1000.00	due	July 8th, 1907.
A. Downs	2250.00	"	July 8th, 1907.
E. W. Snelgrove	1000.00	"	April 12th, 1907.
John Kerr	4500.00	"	May 4th, 1907.
R. A. Elliott	500.00	"	June 28th, 1907.
Geo. Storey	500.00	"	Dec. 8th, 1906.
J. H. Denny	450.00	"	July 27th, 1907.
Thomas Elliot	100.00	"	Dec. 8th, 1906.
John Pell	100.00	"	April 7th, 1907.
Thomas Aitken	2500.00	"	May 19th, 1907.
John K. Brown	1800.00	"	July 5th, 1907.
D. Hamilton Bennett	900.00	"	June 25th, 1907.
Burwell Bridgman	360.00	"	June 3rd, 1907.
Robert Bell	900.00	"	July 13th, 1907.
Wm. Bowman	450.00	"	June 30th, 1907.
Archibald Campbell	200.00	"	May 6th, 1907.
Thomas Elliot	900.00	"	July 8th, 1907.
H. A. Foster	1350.00	"	June 11th, 1907.
Edward Ford	1000.00	"	June 18th, 1907.
Edward Ford	1350.00	"	June 7th, 1907.
D. Frank Ford	1000.00	"	July 8th, 1907.
D. Frank Ford	1500.00	"	July 8th, 1907.
Robert W. Fox	1350.00	"	June 7th, 1907.
Robert W. Fox	900.00	"	June 15th, 1907.
George E. Husband	900.00	"	April 12th, 1907.
R. W. Husband	900.00	"	April 12th, 1907.
Wm. Hunter	2500.00	"	May 14th 1907.
N. Hamilton	1000.00	"	June 9th, 1907.
Henry Heeks	900.00	"	April 16th, 1907.
John Irving	450.00	"	May 12th, 1907.
Geo. A. Kennedy	900.00	"	July 2nd, 1907.
D. C. Kemp	5000.00	"	May 15th, 1907.
Hugh Morrison	450.00	"	July 26th, 1907.
Alex Matthews	500.00	"	May 12th, 1907.
Chas. D. McGregor	450.00	"	June 4th, 1907.
P. A. McDuffe	1500.00	"	June 1st, 1907.
P. A. McDuffe	1000.00	"	May 17th, 1907.
Samuel McClure	500.00	"	Oct. 11th, 1907.
Samuel McClure	250.00	"	July 11th, 1907.
Alexander Porter	450.00	"	June 19th, 1907.
Henry H. Powell	1350.00	"	May 8th, 1907.
John Pell	900.00	"	May 19th, 1907.
Alexander Porter	450.00	"	June 7th, 1907.
Geo. Storey	4500.00	"	May 13th, 1907.
Walter Shortrud	1000.00	"	June 9th, 1907.
W. N. Scott	4500.00	"	May 7th, 1907.
Mary Moore Scott	900.00	"	May 20th 1907.
Mary Moore Scott	2000.00	"	June 11th, 1907.
Flora Scott	900.00	"	May 20th, 1907.
Geo. H. Thompson	5000.00	"	May 25th, 1907.
Jno. Stewart	900.00	"	June 2nd, 1907.
John Watson	450.00	"	Aug. 2nd, 1907.
Eliza A. Weir	500.00	"	Oct. 1st, 1907.
Ernest Patterson	100.00	"	June 11th, 1907.
Ida A. Bastedo	450.00	"	July 11th, 1907.
Ella M. Beaty	20.00	"	Nov. 11th, 1906.
Ella M. Beaty	180.00	"	June 11th, 1906.
Thomas Coxe	5000.00	"	June 1st, 1907.

EXHIBIT 45.

Receipt Travers to Trusts & Guarantee for notes received, dated February 26th, 1907, and correspondence originals and copies between Warren and Travers.

October 10th, 1906.

W. R. TRAVERS, Esq.,
Farmers' Bank of Canada,
City.

DEAR SIR:—

I wish to put on record our understanding of to-day that the $80,000 has been available since yesterday, and that the rate of interest agreed upon will be payable in respect of it from this time on.

Yours truly,
Manager.

Dict. J. J. W.
E. C. M.

TORONTO, February 26th, 1907.

Received from The Trusts and Guarantee Company, the under mentioned notes:

June 27th/06	Robert L. Brown	12 months	$4,500.00
May 11th/06	Joseph E. Bate	"	4,500.00
June 2nd/06	George D moon	"	2,000.00
July 11th/06	Allan Eaton	"	2,500.00
May 21st/06	Andrew Emerson	"	4,500.00
May 31st/06	John F. Ford	"	4,000.00
May 17th/06	James Ford	"	4,800.00
June 8th/06	Burdge Gunby	"	3,000.00
May 11th/06	Thomas Hunter	"	2,500.00
			$32,300.00

THE FARMERS' BANK OF CANADA,
W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA,

TORONTO, March 6th, 1907.

J. J. WARREN, Esq.,
Manager, The Trusts & Guarantee Co.,
City.

DEAR SIR.—

Please hand to the bearer, W. G. Sinclair's note for $4,450.00.

Yours truly,
W. R. TRAVERS,
General Manager.

Received the above note.
A. R. SHAVER.

March 4, 1907.

The Farmers' Bank of Canada,
Toronto.

DEAR SIRS:—

As requested by Mr. Shaver we now take pleasure in enclosing herewith the following notes:—

George A. Bell, Lowville, $270.00, dated May, 8, 1907—12 months.
Joseph E. Bate, Milton, $500.00, dated May 11, 1907—7 months.

Yours truly,

Manager.

Dict. W. D. N.
A. M.
Encl.

December 5th, 1906.

W. R. TRAVERS, Esq.,
Farmers' Bank,
Toronto.

Re Loan.

DEAR SIR:—

Although we are under no responsibility to do so we are writing to call your attention to the fact that Joseph E. Bate's note for $500 falls due on the 11th, instant. ....

We have not written Mr. Bate; we presume you will give this matter your attention.

Yours truly,

Manager.

Dict. E. B. S.
M. D. D.

December 4th, 1906.

W. R. TRAVERS, Esq.,
Manager, Farmers' Bank,
Toronto.

DEAR SIR:—

Although we are under no obligation to do so we are now writing to advise you that the following notes fall due on the 8th instant:—

George Storey	$500.
Robert Elliott	100.

Kindly acknowledge receipt of this notice, and oblige.

Yours truly,

Manager.

Dict. E. B. S.
M. D. D.

THE FARMERS' BANK OF CANADA,

TORONTO, October 26th, 1906.

J. J. WARREN, Esq.,
Manager, Trusts & Guarantee Co.,
Toronto.

DEAR SIR:—

Enclosed please find note of John Kerr, $4,500.00. $2,500.00 paid on account, and note of R. A. Elliott $500.00 in exchange for George Denoon $2,000.00 and William Harris $500.00, which kindly hand to the bearer.

Yours truly,

W. R. TRAVERS,
General Manager.

October 26th, 1906

Received this above mentioned note from Denoon and Harris.

A. R. SHAVER.

EXHIBIT 46.

Cheque of the Trusts & Guarantee Company, Limited, for $20,000, *dated Oct. 23rd,* 1906, *and copy of same.*

Negotiable without charge at any Office of The Ontario Bank.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. 5079 Toronto, October 23rd, 1906.

Pay to the order of Bank of Montreal, for credit to Farmers' Bank of Canada
with Finance Minister and Receiver General $20,000.00
Twenty Thousand .....Dollars

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

BANK OF MONTREAL,
Wellington St., Toronto.

"J. R. STRATTON",
President.

"JAMES J. WARREN",
Manager.

Endorsements.—Bank of Montreal, Toronto.
Stamp.—Bank of Montreal, October 2, 1908.

" Ontario Bank, October 24, 1908, paid.

EXHIBIT 47.

Concurrent writ dated 22nd October, 1906, Sproat et al. vs. Farmers' and copy of affidavit of W. R. Travers, dated October 26th, 1906.

ONTARIO.

IN THE HIGH COURT OF JUSTICE.

Ontario
$1.00
Law Stamp

BETWEEN:

JOHN SPROAT, GEORGE GASTLE, WILLIAM A. DIXON, WILLIAM McLEAN, FINLAY McCALLUM, ROBERT HUME, JAMES MURRAY, GEORGE DENOON, JOHN McLEOD, JANE SHUERT, WILLIAM HARRIS, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of The Farmers' Bank of Canada who may desire to come in and be parties to this action,

Plaintifs,

Seal
High Court
of
Justice
Ontario.

—and—

JOHN WATSON, JOHN FERGUSON, ALEXANDER FRASER, THE FARMERS' BANK OF CANADA, JAMES GALLAGHER, ALEXANDER SHEPHERD LOWN, W. R. TRAVERS, N. C. H. SMITH, A. G. H. LUXTON and W. J. LINDSAY,

Defendants.

EDWARD The Seventh by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

To—

The Farmers' Bank of Canada, James Gallagher, of the Village of Teeswater, in the County of Bruce; John Watson, of the Town of Listowel, in the County of Perth; John Ferguson and Alexander Fraser, both of the City of Toronto, in the County of York; Alexander Shepherd Lown, of the Village of Drayton, in the County of Wellington; W. R. Travers, C. H. Smith and W. J. Lindsay, of the City of Toronto; and A. G. H. Luxton, of the Town of Milton, in the County of Halton.

WE COMMAND YOU that within Ten days after the service of this Writ on you, inclusive of the day of such service, you cause an appearance to be entered for you in an action at the suit of—

John Sproat, George Gastle, William A. Dixon, William McLean, Finlay McCallum, Robert Hume, James Murray, George Denoon, John McLeod, Jane Shuert, William Harris, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of The Farmers' Bank of Canada, who may desire to come in and be parties to this action.

AND TAKE NOTICE that in default of your so doing the Plaintiffs may proceed therein and judgment may be given in your absence on the plaintiffs' own showing, and, you may be deemed to have admitted the plaintiffs' claim, and (subject to the rules of Court) will not be entitled to notice of any further proceedings herein.

WITNESS The Honorable Sir John Alexander Boyd, K.C.M.G., President of our High Court of Justice at Toronto, the Twenty-second day of October, in the year of our Lord one thousand nine hundred and six.

E. HAILEY,
Clerk of Records and Writs.

N.B.—This Writ is to be served within 12 Calendar months from the date thereof, or, if renewed, within 12 Calendar months from the date of such renewal, including the day of such date and not afterwards.

The defendants may appear hereto entering an appearance either personally or by Solicitor at the Central Office at Osgoode Hall, Toronto.

"Concurrent" this 22nd day of October, 1906.

E. HAILEY.

Issued from the Central Office of the High Court of Justice, at Toronto, in the County of York.

E. HAILEY.

This action is brought by the plaintiffs on their own behalf and on behalf of all other alleged shareholders of The Farmers' Bank of Canada, who dispute the validity of alleged contracts to take shares of the capital stock of the Bank, and who allege that they were induced to subscribe for shares through fraud and misrepresentation, and who may request to be joined as plaintiffs.

And the Plaintiffs' claim is: (1) For a declaration that the alleged contracts are void: (2) For the rescission of alleged contracts to take shares of the capital stock of The Farmers' Bank of Canada; (3) For an accounting for the money and promissory notes received—or alleged to have been received—in the name and on behalf of the provisional directors of the Bank; (4) For an injunction: (5) For a Receiver; and (6) For administration.

And the following are particulars of the Plaintiffs' Claim:

1. The Farmers' Bank of Canada was incorporated by Special Act of the Parliament of Canada passed on the 18th day of July, 1904.

2. The defendants James Gallagher, John Watson, John Ferguson, Alexander Fraser, and Alexander Shepherd Lown, were appointed by the said Act to be the Provisional Directors of the Bank.

3. Amendments of the Act of Incorporation were passed on the 20th day of July, 1905, and on the 26th day of June, 1906.

4. The amendment passed on the 20th day of July, 1905, is alleged to have been passed on the petition of The Farmers' Bank of Canada; and the amendment passed on the 26th day of June, 1906, is alleged to have been passed on the petition of three of the provisional directors of the Bank.

5. A prospectus of the Bank was issued, and contains amongst others, the following statements, namely, that the following gentlemen have consented to act as directors if elected:

His Honor A. E. Forget; Major Thomas Beattie; Lieutenant-Colonel R. R. McLennan; John D. Ivey; Thomas Charlton; H. W. Anthes; W. S. Calvert; G. Plunkett Mangan; D. P. McKinnon; Colonel James Munn; Honorable A. G. Mc-

Kay; George W. Neely; Thomas Urquhart; D. N. McLeod; John Ferguson; Robert Noble; and the name of the defendant W. R. Travers is printed thereon "General Manager"; the name of the defendant C. H. Smith is printed thereon "The Secretary of the Provisional Board of Directors", and the name of The Traders' Bank of Canada is printed thereon as "Bankers."

6. Stock books were opened in pursuance of the prospectus for the purpose of entering subscriptions of persons who might be induced to subscribe for shares of the capital stock of the Bank.

7. The applications for subscriptions for shares and proxies appointing the Secretary of the Provisional Board, and forms for receiving subscriptions for shares were printed and put in circulation.

8. Forms of bank notes in the name of The Farmers' Bank of Canada were also either printed, lithographed or engraved for the purpose of inducing persons to subscribe for shares.

9. The printed prospectus, the appllication for stock, the forms for subscriptions, and the said forms of bank notes in the name of The Farmers Bank of Canada, were delivered to agents and solicitors to procure subscriptions for shares.

10. The agents and solicitors produced and used the prospectus, the applications and the forms, in their canvass for subscriptions for shares.

11. The Plaintiffs and other subscribed for shares, and the plaintiffs allege—(1) That the Provisional Directors who professed to act for and in the name of the Bank, had no lawful power or authority to receive subscriptions for shares or to accept them; and (2) That the subscriptions for shares which were procured from the plaintiffs and others were procured through fraud and misrepresentation, and the plaintiffs allege amongst others, the following particulars of fraud, namely—

(1) That the agents in procuring the subscriptions for shares falsely represented that persons had subscribed for a larger number of shares than they had in fact subscribed for, and the following are examples of such false representations, namely—(a) That Robert Noble whose name is entered in the prospectus as one of those who had consented to be a director, had subscribed for shares to the amount of $10,000, whereas he had in fact only subscribed for shares to the amount of $3,000; (b) That John Sproat had subscribed for shares to the amount of $10,000, whereas he had in fact only intended to subscribe for shares to the amount of $1,000, and that he was induced to sign an application in the belief that it was filled up for $1,000, and that the General Manager afterwards claimed that it was a subscription for $10,000, and the said John Sproat then repudiated the entire subscription; (d) That James Murray had subscribed for shares to the amount of $10,000, whereas he had in fact only subscribed for shares to the amount of $1,000; (e) That Dr. Stewart was subscribing for shares to the amount of $10,000, whereas he was not in fact subscribing for any shares; and other false representations of a similar character were made by the solicitors and agents in reference to alleged subscriptions of other persons.

(2) That Major Thomas Beattie, represented by the prospectus to have consented to act as a director, had not subscribed for any shares, and refused to be a director, and refused to allow his name to be used in any way in connection with the Bank; and the plaintiffs allege that the names of other persons were represented by the prospectus to have consented to act as directors had not subscribed for any shares or given any authority for any such publication.

(3) That the first block of shares to the amount of $500,000 would be issued at par, and that the next block of shares would be issued at a premium of 25%, and that the first block of shares subscribed for at par would therefore soon have a market value of 25% over the amount subscribed for.

(4) That the solicitors and agents who were procuring subscriptions for shares would buy the shares from the subscribers at the alleged premium of 25%.

(5) That the bank notes, of which a specimen was produced, would soon be in circulation, and that the profits to the subscribers would be very large.

(6) The prospectus states that the money received from deposits is loaned at a high rate of interest; that the authorized capital of the Bank is $1,000,000; that if this were fully paid up the Bank could issue $1,000,000 in bills, thus earning for its stockholders dividends on $2,000,000, giving the Bank double earning power on its capital.

(7) The prospectus makes no reference whatever to the provisions of The Bank Act, namely,—(1) That a Bank cannot issue any notes less than $5.00; (2) The percentage to be held by the Minister of Finance against circulation; (3) The necessity of the Bank establishing agencies everywhere in Canada to redeem its circulation; (4) The obligation of the Bank to hold not less than 40% of its cash reserves in Dominion notes; (5) The obligation to pay for the Dominion notes in specie; (6) The obligation to make payments up to given amounts in Dominion notes when requested; (7) The necessity for the maintenance of a reserve to meet deposits when demanded, and to redeem circulation, etc.

12. And the plaintiffs allege that the acts and proceedings of the provisional directors were illegal and irregular, and that the provisional directors appointed by the Act of Incorporation did not continue to act as directors, and did not receive notices of meetings, and did not attend meetings, and did not consent to the renewal of the charter or to the acts and proceedings of other provisional directors, or other persons who were acting or professing to act for provisional directors, and that there was trading in the charter.

13. And the plaintiffs further allege that the agents and solicitors who were procuring subscriptions for shares had not lawful power or authority to solicit or accept applications for shares or subscriptions for shares.

14. And the plaintiffs allege that the agents and solicitors professing to act under the name and authority of the provisional directors have procured a large number of subscriptions for shares, and have received the sum of One Hundred and Seventy-five Thousand Dollars more or less, on account thereof, and have also procured promissory notes to be signed by persons who were subscribing for shares, payable to the provisional directors of the Bank, and the persons acting in the name and under the professed authority of the Act of Incorporation and amendments thereto, are endeavoring to discount or procure a loan by the transfer of the said notes.

15. And the plaintiffs further allege that the persons professing to act as aforesaid under the alleged authority of the provisional directors, have unlawfully deducted large sums of money for alleged services and commissions, and other purposes, out of the money received by them.

16. The plaintiffs allege that the shares and the money and the promissory notes procured from them have been procured through fraud, deceit and misrepresentation.

17. The plaintiffs demand the production by the provisional directors of the Bank, and each of them, and by the Secretary of the Provisional Board, and by the General Manager, and by all other persons who may have possession or control thereof—(1) Of all documents alleged to be signed by the said plaintiffs and other alleged subscribers for shares; (2) Of the minutes of the meetings of provisional directors; (3) Of the alleged subscribers' agreements, or alleged subscriptions for shares; (4) Of the cash books, ledgers, bank books, cheque books, letter books, and all other books, documents and papers showing the alleged subscriptions for shares—the payments on account thereof—the application of the money received—the promissory notes or other obligations received; and all acts or proceedings of the Provisional Board of Directors, or any of the members thereof, or of the Secretary, or of the General Manager, and all other persons whomsoever professing to act in the name and on behalf of the Bank or of the Provisional Board of Directors, or any of them, or of the subscribers for shares, or any of them.

18. The plaintiffs allege that all money, promissory notes, and other obligations received as aforesaid by all persons acting, or professing to act, in the name and on behalf of The Farmers Bank of Canada, or of the provisional directors, or any of them, are impressed with a trust in favor of all the subscribers for shares who may desire to come in and become parties to this action.

19. The plaintiffs claim that the money received from them on account of alleged subscriptions for shares, and the promissory notes or other obligations, should be protected and preserved as trust money and trust notes and obligations under the order and direction of this Honorable Court.

20. The defendants James Gallagher, John Watson, John Ferguson, Alexander Fraser and Alexader S. Lown, are named as provisional directors in the Act of Incorporation; and the said John Ferguson, Alexander Fraser and James Gallagher are named as the three provisional directors who procured the amendment of the charter. The defendant W. R. Travers is named as General Manager in the prospectus; the defendant C. H. Smith is named as Secretary of the Provisional Board of Directors; and the defendants W. J. Lindsay and A. G. H. Luxton were canvassing solicitors and agents for subscriptions for shares.

AND THE PLAINTIFFS CLAIM AND PRAY FOR:

(1) An account of and enquiry into all the acts and proceedings of all the members of the Provisional Board of Directors, and each of them, and into any illegal transfer of the charter by one to the other, or to any other person or persons.

(2) A declaration that the alleged contracts for shares are void in law.

(3) The rescission of all alleged contracts to take shares and all applications or subscriptions for shares which have been procured by fraud or misrepresentation.

(4) An account of all money, notes and other obligations received, and the application thereof.

(5) A declaration of the rights of the plaintiffs and of the obligations of the defendants, and consequential relief.

(6) An Injunction to restrain the Bank, the Provisional Directors, the General Manager, the Secretary, and all their officers, servants or agents, acting for or in the name of the Bank, or of the Provisional Directors, from using, drawing upon, paying or transferring, any money, notes or other obligations received from the plaintiffs and other persons who may be added as plaintiffs in the action, and from entering into any further dealings or transactions in respect thereof without the permissions of the Court.

(7) An Injunction to restrain the Bank, and the Provisional Directors, and the General Manager, and their officers, servants or agents, from the publication of a notice to call a meeting of the alleged subscribers of the shares of the capital stock of the Bank, and from making application to the Treasury Board for a certificate under sections 14 and 15 of The Bank Act.

(8) The appointment of a Receiver to act under the order and direction of this Honorable Court.

(9) An order for the administration of the affairs of the Bank.

(10) All such further and other relief as to this Honorable Court may seem meet, or as the nature and circumstances of the case may require.

(11) The costs of this action.

The Plaintiffs propose that this action shall be tried at Toronto.

Place of trial

and the Plaintiffs claim $30.00 for costs, and if the amount claimed be paid to the Plaintiffs or their Solicitor within the time allowed for appearance further proceedings will be stayed.

This Writ was served by
on
the Defendant
on day, the day of A.D. 190
Indorsed the day of A.D. 190

(Signed).....

(Address).....

IN THE HIGH COURT OF JUSTICE.

BETWEEN:

JOHN SPROAT, GEORGE CASTLE, WILLIAM A. DIXON, WILLIAM McLEAN, FINLAY McCALLUM, ROBERT HUME, JAMES MURRAY, GEORGE DENOON, JOHN McLEOD, JANE SHUERT, WILLIAM HARRIS, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of The Farmers Bank of Canada who may desire to come in and be parties to this action,

Plaintiffs,

—AND—

THE FARMERS BANK OF CANADA, JAMES GALLAGHER, JOHN WATSON, JOHN FERGUSON, ALEXANDER FRASER, ALEXANDER SHEPHERD LOWN, W. R. TRAVERS, C. H. SMITH, A. G. LUXTON and W. J. LINDSAY,

Defendants.

I, WILLIAM RICHARD TRAVERS, of the City of Toronto, in the County of York, Bank Manager, make oath and say:—

1. I am the Acting General Manager of the defendants The Farmers' Bank of Canada duly engaged and appointed by the Provisional Directors of the said Farmers' Bank of Canada, and I am also one of the defendants above named in this action.

2. At about the hour of half past one o'clock of Tuesday the 23rd day of October instant, I was served with a copy of the writ of summons herein now shewn to me and marked as Exhibit "A" to this my affidavit and at the same time I was served with the notice of motion herein now shewn to me marked Exhibit "B" to this my affidavit and about half an hour thereafter on the same day I was served with the copy of subpœna and copy of appointment thereto attached now shewn to me marked Exhibit "C" to this my affidavit.

3. The said copies of subpœna and appointment bear the date 22nd October, 1906, and I am informed and believe by my solicitors that the said appointment was issued at about the hour of two o'clock on Monday the 22nd day of October, and I am advised and believe that the said appointment was not properly or regularly issued or the copy thereof regularly served, the same having been so issued before service of the copy of the notice of motion.

4. I am informed by my solicitors and believe the fact to be that no affidavits or material have so far been filed in support of the motion herein, notice of which was served as before stated and no copies of any such material have been served upon me or upon my solicitors.

5. I am advised and verily believe that the plaintiffs have no good cause of action on the merits and that this action has been commenced, and the said motion has been launched for the purpose of prejudicing and embarrassing the defendants The Farmers' Bank of Canada, and that the said examinations are proposed to be taken and made for the purpose of prejudicing and embarrassing the said Bank and *if possible to pdevent the complete organization* thereof, and reasons for so believing are that I am entirely satisfied that the subscriptions made by the plain-

tiffs for shares in the said Bank were and are bona fide and were fully understood at the time and that the said plaintiffs have no good or proper cause of action on the merits; and further because Mr. William Laidlaw of the City of Toronto, the solicitor acting for the plaintiffs saw me personally at the Queen's Hotel in or about the middle of the month of July last past, and then stated to me that he thought his brother Robert Laidlaw would be willing to become a member of the Board of Directors of the Bank and to subscribe for $5,000 of stock, and he very urgently pressed me that his brother should be taken on the Board with such subscription and urged that he would be a valuable addition to the Board. He stated at the same time that he had been consulted by some persons as to the Bank and its condition and prospects, and that if he was appointed solicitor for the Bank and given a share of agent's commissions in procuring subscriptions in the County of Halton, that he would give his assistance, and that his brother would go upon the Board and make the subscriptions above mentioned, and that everything would be all right and satisfactory with his clients, and that there would be no trouble or difficulty.

6. And on two occasions afterwards and before the commencement of these proceedings I met Mr. Laidlaw on the street, and he informed me that there were some uneasy people who had been talking to or consulting with him, and it was in his power to have them make trouble or to keep quiet, and I therefore believe that these proceedings have to a large extent, if not entirely, been actuated and promoted by Mr. William Laidlaw.

7. The plaintiff, John Sproat, became a subscriber for one hundred shares of the capital stock of the Bank, and the original subscription and application for such stock is now shewn to me marked exhibit "D" to this my affidavit. Mr. Sproat has not since then made any payment on account of such subscription and has not given any promissory note; such subscription is dated on the 12th day of May, 1906.

8. The plaintiff, George Castle, signed an application for stock and became a subscriber for ten shares of the capital stock of the Bank, as shewn on the paper now shewn to me marked Exhibit "E" to this my affidavit; such subscription is dated the 15th May, 1906, and on same date paid in $100.00, and thereafter on or about the Seventh day of July, 1906, he paid in cash the sum of $900.00 in satisfaction of the said subscription.

9. The plaintiff, William A. Dixon, signed an application for stock and became a subscriber for fifty shares of the capital stock of the Bank, as shewn by the paper now shewn to me marked as Exhibit "F" to this my affidavit, such subscription being dated the 17th of May, 1906, and at the same time the said William A. Dixon signed the two promissory notes—one for $500.00 and the other for $4,500.00—now shewn to me marked as Exhibit "G & H" to this my affidavit.

10. The plaintiff, William McLean, signed an application for stock and became a subscriber for five shares of the capital stock of the Bank as shewn by the paper now shewn to me, marked as Exhibit "I" to this my affidavit, such subscription being dated the 6th of June, 1906, and on the same date paid the sum of $50 in cash and gave a promissory note for the sum of $450.00, which promissory note is now shewn to me marked as Exhibit "J" to this my affidavit.

11. The Plaintiff, Finlay McCallum, made an application for stock and became a subscriber for ten shares of the capital stock of the Bank, as shewn by the paper now shewn to me marked as Exhibit "K" to this my affidavit, such subscription being dated the 16th of May, 1906, and at the same time paid $100.00 and on the 24th day of September, 1906, thereafter, gave his cheque for the balance, $900.00.

12. The plaintiff, Robert Hume, made an application for ten shares of the capital capital stock of the Bank, as shewn by the paper now shewn to me marked as Exhibit "L" to this my affidavit, such subscription being dated the 6th of June, 1906, and at the same time gave his note for the sum of $1,000.00, the amount thereof, which said note is marked as Exhibit "M" to this my affidavit.

13. The plaintiff, James Murray, made an application for stock and subscribed for twenty-five shares on the 19th May, 1906, as shewn to me by the paper now produced and marked as Exhibit "N" to this my affidavit, and within a few days thereafter the said plaintiff, James Murray, stated that he wished to make a change and to lessen the amount and thereupon signed the further application for stock for ten shares now produced and shewn to me marked as Exhibit "O" to this my affidavit, such subscription being dated the 22nd of May, 1906, and the first subscription above mentioned was intended to be cancelled and the second taken in substitution therefor, and on the 22nd of May the said James Murray paid $100.00 in cash and on the 6th day of September paid the further sum of $200.00 on account thereof and no further payment has been made and no promissory note has been given for the balance.

14. The plaintiff, George Denoon, made an application for twenty shares of stock, as shewn by the paper now produced and marked as Exhibit "P" to this my affidavit, such subscription being dated the 2nd of June, 1906, and at the same made his promissory note payable to the order of the Farmers Bank of Canada for the sum of $2,000.00, and on or about the 4th day of October I saw the said George Denoon personally and returned to him the said promissory note and took in substitution therefor the promissory note for $2,000.00 now produced and marked as Exhibit "Q" to this my affidavit.

15. The plaintiff, John McLeod, made an application for stock and became and subscribed one share of capital stock of the said Bank, as shewn by the paper now produced and marked as Exhibit "R" to this my affidavit, such subscription being dated the 9th of May, 1906, and at the same time gave his promissory note for the sum of $100.00, which is now produced and marked as Exhibit "S" to this my affidavit.

16. The plaintiff, Jane Shuert, made an application for stock and became and subscribed for three shares thereof, as shewn by the paper now produced and marked as Exhibit "T" to this my affidavit, such subscription being dated the 29th of May, 1906, and at the same time paid the sum of $30.00 in cash on account thereof and gave the promissory note for $270.00 now produced and marked as Exhibit "U" to this my affidavit.

17. The plaintiff, William Harris, made an application for stock and subscribed for five shares thereof, as shewn by the paper marked as exhibit "V" to this my affidavit, such subscription being dated the 31st of July, 1906, and at the same time gave his promissory note, payable to the Farmers Bank of Canada, for the sum of $500.00, and thereafter and on or about the 5th day of October I saw said William Harris personally and returned to him the said note and took in substitution therefore the promissory note for the sum of $500.00 signed by him now produced and marked as Exhibit "W" to this my affidavit.

18. On or about the 22nd day of October the total subscriptions for stock of the Farmers Bank of Canada, as duly entered in the books of the Company, amounted to the sum of $566,700.00.

19. On or about the 17th day of October instant I duly deposited with the Bank of Montreal the sum of $230.000.00 on account of the necessary deposit required by the Banking Act of Canada, and at or about the hour of twelve o'clock noon of the 23rd day of October instant I made the further deposit on behalf of the Farmers Bank of Canada of the sum of $20.000.00, such deposit also being made with the Bank of Montreal, making a total deposit of $250.000.00, for which sum I then received the original deposit receipt now shewn to me marked as exhibit "X" to this my affidavit, and I on the same day, namely: the 23rd of October, duly forwarded to the Minister of Finance at Ottawa a draft of the Bank of Montreal for the sum of $250.000.00, payable to the order of the Receiver General of Canada, and the paper now shewn to me marked as exhibit "Y" to this my affidavit is the Post Office receipt for the said letter which was duly registered at that time. That the deposits before referred to were made and the receipt from the Bank obtained before I had any notice of the proceedings in this action by the plaintiffs and the draft before referred to payable to the order of the Receiver General was also duly obtained and *was posted before I was served with a copy* of the said writ and notice of motion hereinbefore mentioned.

20. On the 19th of October, before service of process upon me, I sent to the Canada Gazette a notice to be inserted calling a meeting of the shareholders of the said Farmers Bank of Canada for the 26th of November, 1906, and on the 23rd day of October and before service upon me as aforesaid I gave to the Toronto Globe a copy of the notice of the said meeting of shareholders for publication, and afterwards on the same day gave similar notice to the Mail & Empire for publication. The said notice appears in the issue of the Globe now shown to me marked as exhibit "Z" to this my affidavit.

21. The continuation of the motion, notice of which has been served by the plaintiffs, and the publicity through the papers and otherwise which I believe may be given thereto by and on behalf of the plaintiffs, will be exceedingly injurious and prejudicial to the Farmers Bank of Canada, and such proceedings are I believe calculated to most seriously injure and prejudice if not destroy the said Bank, and in order to avoid the continuation of the same and to fully protect the plaintiffs herein, although as I am advised and verily believe they have no good cause of action on the merits as before stated. The defendants are willing to deposit with this Honourable Court all the said applications for stock hereinbefore referred to and all the said promissory notes hereinbefore referred to and further deposit and file with the Court a marked cheque representing the total amount of cash paid by the said plaintiffs, as before set forth, and the said defendants are content that the said application and promissory notes and cheque should remain on deposit in this Court to abide the final judgment of the Court in this action, and subject to further order of the Court.

22. This application to set aside the said appointment for examination and copy and service thereof and to stay proceedings on the said pending motion is made *bona fide* and for the purpose absolutely and only of protecting the rights and interests of the Farmers Bank of Canada and shareholders and subscribers for stock therein, and not otherwise.

SWORN before me at the City of Toronto, in the County of York, this 26th day of October, 1906.

(Sd.) W. R. TRAVERS.

(Sd.) J. W. McDONALD

A Commissioner, etc.

EXHIBIT 48.

Correspondence between Travers and Warren and letter from Marshall, manager of Excelsior Life, to Travers, and assignment of policy Travers to Trusts and Guarantee, dated Oct. 26th, 1906, and account re assignment of policy:

THE FARMERS BANK OF CANADA.

Toronto, November 21st, 1906.

The Trusts and Guarantee
Company, Limited.
Rec'd Nov. 22, 1906.
Ans'd ditto.

The Manager,

The Trusts & Guarantee Company,
CITY.

Dear Sir:—

Enclosed please find the consent of my wife to the transfer of the Insurance Policy on which you so kindly made me a loan.

Yours truly,

W. R. TRAVERS,
General Manager.

W. R. Travers, Esq.,

Farmers Bank, Toronto.

Dear Sir,—

Re Your Loan.

We thank you for your favour of the 21st instant enclosing consent in reference to Excelsior Life Policy signed by Mrs. Travers.

Yours truly,

Dict. E.B.S. *Manager.*
M.D.D.

November 3rd, 1906.

W. R. Travers, Esq.,

Farmers Bank, Toronto.

Dear Sir,—

Would you kindly call to-day or Monday to sign certain documents in this matter.

Yours truly,

Dict. E.B.S. *Manager.*
M.D.D.

General Manager,
Edwin Marshall.

THE EXCELSIOR LIFE INSURANCE CO.

When writing about Policies
Please give number.

Head Offices,
Excelsior Life Building, 59-61 Victoria St.

Sten. No. 1.
Confidential.

Toronto, July 24th, 1906.

W. R. Travers, Esq.,
General Manager,
The Farmers & Traders Bank, Toronto.

Dear Sir:—

I have pleasure in handing you by bearer policy No. 14240, issued on the application with which you recently favoured us. As stated to you over the 'phone yesterday, the Company, in view of the explanation and request made by Dr. Ferguson, has agreed to allow you a rebate of $80.00 on the first year's premium. It will, therefore, be satisfactory if you send us a voucher for this amount.

Yours truly,
E. Marshall,
General Manager.

Encl. 1(W)

KNOW ALL MEN BY THESE PRESENTS that I, William Richard Travers, of the City of Toronto, in the County of York and Province of Ontario, the Assured under a certain policy of Life Insurance issued by the Excelsior Life Insurance Company for the sum of Five thousand dollars and Numbered 14240, Do hereby absolutely assign, transfer and set over the said Policy of Insurance and all moneys assured by or to become payable under the said Policy, and the full benefit thereof to the Trusts and Guarantee Company, Limited, as security for a loan of Twenty-three hundred and eighty dollars ($2,380) and interest at 10% from this date. The said sum of Twenty-three hundred and eighty dollars and interest at ten per cent. is to be repaid to the said Company on demand, and as collateral security for the said repayment I have endorsed and transfer to the said Company the following Promissory Notes and the moneys payable thereunder, namely:—

Note dated the 5th day of July, 1906, and made by George Robinson to the order of the Provisional Directors of The Farmers Bank of Canada for $1,000.00, payable twelve months after date, endorsed by the said Provincial Directors to my order.

Note dated the 5th day of July, 1906, and made by Albert Downs to the order of the Provisional Directors of the Farmers Bank of Canada for $2,250, payable twelve months after date, endorsed by the said Provisional Directors to my order.

Note dated the 9th day of October, 1906, and made by E. W. Snelgrove to the order of the Provisional Directors of The Farmers Bank of Canada for $1,000.00, and payable six months after date, endorsed by the said Provisional Directors to my Order.

In default of payment I, the said William Richard Travers authorize the said Company to sell the said Policy of Insurance and the said notes or any of them without notice to me, in such manner as they think proper, and out of the proceeds thereof pay the said sum and interest, together with the costs necessarily incurred in making such sale, and to pay the balance to me.

I hereby agree on demand to make such further or other assignment of the said Policy so as to effectually vest the same in the said Company in accordance with this agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this Twenty-sixth day of October, A.D. 1906.

Signed, Sealed and Delivered
In the presence of
W. J. LINDSAY. } W. R. TRAVERS.

EXHIBIT 49.

Copy Agreement between Travers and Trusts & Guarantee Co. for loan of $20,500 *and correspondence between Travers and Warren and others*:

KNOW ALL MEN BY THESE PRESENTS—

THAT I, W. R. Travers, Esq., of Toronto, in the County of York, and Province of Ontario, the holder of 190 Shares of Stock of The Canadian Savings Loan and Building Association, fully paid up, 13 Shares Dominion Permanent Loan Company, fully paid, two Shares Dominion Permanent Loan Company Stock, partially paid, and the following promissory notes, N. M. Devean, Toronto, held as collateral to the above referred to shares of the Canadian Savings Loan & Bldg. Assn. for $15,000.00, W. J. Lindsay, $2,500.00 and F. W. Stair, $9,000.

DO HEREBY absolutely assign, transfer and set over the said shares of Stock and notes, and all the moneys secured thereon to THE TRUSTS AND GUARANTEE COMPANY, LIMITED, as security for a loan of $20,500.00, and interest at Ten per cent from this date.

THE SAID SUM of Twenty thousand Five hundred Dollars and interest at Ten per cent is to be repaid to the said Company on demand.

IN DEFAULT of payment I, the said W. R. Travers, authorize the said Company to sell the said Stock and realize on said notes without notice to me in such manner as they think proper, and out of the proceeds thereof to pay the said sum and interest, together with the costs necessarily incurred in making such sale, and to pay the balance to me.

I HEREBY AUTHORIZE the Manager of the said Company to have the necessary transfer of the said Stock made on the books of the Canadian Savings Loan and Building Association and the Dominion Permanent Loan Company, in accordance with this agreement.

IN WITNESS WHEREOF I have hereunto set my hand and seal this 23rd day of October, A.D. 1906.

SIGNED, SEALED AND DELIVERED
In the presence of
"C. J. COLVILLE." } "W. R. TRAVERS." (*Seal*)

Sent cheque in favour of Farmers Bank for $1,027, being proceeds of sale of 13 shares D.P.L. Co. stock, to W. R. Travers, on January 29th, 1907, in an envelpope without letter. No letter was written at Mr. Travers' request.

Farmers Bank Envelope.

Toronto, December 19th, 1906.

The Trusts and Guarantee
Company, Limited.
Rec'd Dec. 19, 1906.
Ans'd.....

J. J. WARREN, ESQ.,
Manager Trusts & Guarantee Co., Limited,
CITY.

Dear Sir:—

Please deliver to Messrs. Greville & Company the thirteen shares of stock that you hold on my account and accept for the same $1,027.00.

Kindly get the check marked good and hold it for further instructions.

Yours truly,
"W. R. TRAVERS."

Dec. 19th, 1906.

W. R. TRAVERS, ESQ.,
Farmers Bank of Canada,
Toronto.

Re Dominion Permanent Loan Co.

Dear Sir:—

As instructed in your letter of this date we to-day delivered to Messrs. Greville & Company 13 shares of the stock of the Dominion Permanent Loan Company, and received that firm's cheque payable to the order of your Bank for $1,027.00. We are holding this cheque subject to further instructions from you.

Yours truly,
Manager.

Dict. E.B.S.
M.D.D.

Dec. 13th, 1906.

W. R. TRAVERS, ESQ.,
General Manager,
Farmers Bank of Canada,
Toronto.

Dear Sir:—

Enclosed please find cheque of Greville & Co., Ltd., for $74.00 in your favor. This is the amount which they handed us to-day on the delivery of two shares of Dominion Permanent Loan Company stock.

Yours truly,
Manager.

Dict. W.D.N.
M.B.F.
Enc.

Handed to Greville & Co.:

Cert. 1480, D.P.L.....	1 Shr.	$65.00	D. H. Bunell
1397. "	1 "	50.00	W. G. Laidlaw

Dec. 13th, 1906.

THE CANADIAN SAVINGS, LOAN AND BUILDING ASSOCIATION.

3617. Toronto, September 14th, 1906.

N. M. DEVEAN, ESQ.,
Lee Ave., City.

Dear Sir:—

Enclosed find check for $225.00 dividend due on certificate 875 on the 15th inst.

Yours respectfully,
"W. J. HAMBLY",
President.

3138. Toronto, July 31st, 1906.

N. M. DEVEAN, ESQ.,
Lee Ave., City.

Dear Sir:—

Enclosed find check for $60.00, dividend due on certificate 881 on August 1st.

Yours respectfully,
"W. J. HAMBLY",
President.

2527. Toronto, June 14th, 1906.

NATHAN M. DEVEAN, ESQ.,
Lee Ave., City.

Dear Sir:—

Enclosed find check for $225.00, dividend due certificate 875 on the 15th inst.

Yours respectfully,
"W. J. HAMBLY",
President.

EXHIBIT 50.

Copy of statement re loan by Travers of $20,500, ledger sheet:

Name, W. R. TRAVERS.

Amount, $20,500.00. Mortgage dated Oct. 23/06. Application No.

Address, Toronto.

Insurance.

Security, 190 shares. Can. Savings Loan & Building Assn.

13 " Dom. Perm. Loan Co. & Notes $26,500.

Rate of Interest, 10% payable.

Terms Demand.

Date 1906	Particulars	Folio	PRINCIPAL				INTEREST					
			Dr.	Cr.	Dr. or Cr.	Balance	Date	Dr.	Cr.	Cr.	Dr. or Cr.	Balance
Oct. 23	Adv.....	B181	20000.00	.....	Dr.	20,000.00	Dec. 31	55.59	.....	.....	.....	.....
" 23	Comm.....	B181	500.00	.....	.....	20,500.00	" C893	.....	55.59	.....	.....	ϕ
Dec. 31	Int.....	C891	308.90	.....	.....	20,808.90	"	308.90	.....	.....	.....	.....
" 31	Addl. int.....	C893	55.59	.....	.....	20,864.49	" C891	.....	308.90	.....	.....	ϕ
1907 Dec. 10	.....	C1193	.....	20808.90	Dr.	55.59	.....	.....	.....	.....	.....	.....
"	Item chgd. in error Dec. 31/06	C1193	.....	55.59	.....	ϕ	.....	.....	.....	.....	.....	.....

EXHIBIT 51.

Copy of List of Notes: April 16, 1907.

Charged Trust & Guarantee Co	$25,605.81	
Suspense Account	14,929.19	
		$40,535.00
Charged—		
Milton Branch		40,535.00

CHARGED MILTON BRANCH

Bill No.		
89	Bennett, D. H.	675
90	Bridgeman, A.	360
1	Campbell, A.	200
2	Denny, J. H.	450
3	Elliott, Thos.	100
3½	Elliott, Thos.	900
4	Foster, H. A.	1,350
5	Ford, E.	2,250
6	Ford, D. F.	2,500
7	Fox, R. W.	2,250
8	Husband, G. E.	900
9	Husband, R. W.	900
100	Hunter, W.	2,500
1	Heeks, H.	900
2	Irving, John	450
3	Kennedy, J. A.	900
4	Kemp, D. C.	5,000
5	Morrison, H.	450
6	McGregor, C. D.	350
7	McDuffe, P. A.	2,500
8	Beatty, E. M.	200
9	Bastedo, Ida A.	450
110	Stewart, John.	900
1	Patterson, Ernest	100
2	Snelgrove, E. W.	1,000
3	Robinson, Geo.	1,000

Bill No.		
114	Downs, A.	$2,250
5	Porter, Alex.	450
5½	Porter, Alex.	450
6	Powell, H. H.	1,350
7	Pell, John.	100
7½	Pell, John.	900
8	Weir, Eliza S.	500
9	Thompson, G. H.	5,000
	Total	$40,535

CHARGED MILTON BRANCH, APRIL 11, 1907——

Bill No.		
84	Panton, W.	$900
85	Johnson, H. J.	180
86	Joyce, C.	450
87	Harris, W.	500
88	Daniels, Geo.	500
	Total	$2,530

CHARGED MILTON BRANCH, MARCH 6, 1907——

Notes.

	Bell, Geo. A.	$270.00
	Bate, Jos. E.	500.00
	Total	$770.00

CHARGED MILTON BRANCH, FEBRUARY 26, 1907—

June 27, 1906	Brown, R. L.	12 months	$4,500
May 11, 1906	Bate, J. E.	"	4,500
July 11, 1906	Eaton, Allan.	"	2,500
May 21, 1906	Emerson, Andrew	"	4,500
May 31, 1906	Ford, J. F.	"	4,000
May 17, 1906	Ford, James	"	4,800
June 8, 1906	Gunby, Burdge	"	3,000
May 11, 1906	Hunter, Thos.	"	2,500
	Total		$30,300

Received from Trust Co. on such date—

June 2, 1906	Denoon, Geo.	12 months	$2,000

April 30th, 1907.

Trust & Guarantee Co.	$23,930	
Organization	370	
		$24,300
Charged to Milton Branch.		24,300
Aitken, Thos.	2,500	
Hamilton, Mrs. A.	1,000	
Storey, Geo. A.	4,500	
Storey, Geo. A.	500	
Shortreed, W.	1,000	
Scott, W. N.	3,500	
Scott, M. M.	900	
Scott, M. M.	2,000	
Scott, Flora	900	
Cox, Thos.	5,000	
Kerr, John	2,000	
Elliott, R. A.	500	
	$24,300	
Less: Charged to Organization	370	
		$23,930

EXHIBIT 52.

Copy by W. J. Lindsay of letter March 29th, 1906, W. J. Lindsay to A. J. Witham:

A. J. WITHAM.

REAL ESTATE, LOANS AND INVESTMENTS,
RENTING AND INSURANCE.
Over Bank of Toronto.

St. Catharines, Ont., March 29, 1906.

Copy of Letter to A. J. Witham:—

Dear Sir.—I will not have allotted until I receive first payment which is not to be until you sell your property in Napanee.

Yours truly,
"W. J. LINDSAY."

EXHIBIT 53.

Cheque on the Trusts & Guarantee Co. for $25,344.80, signed by Travers for Farmers Bank:

No..... Toronto, Mch. 12th, 1907.

TO THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St. West.

Pay to The Trusts & Guarantee Co.....or Order
Twenty-five thousand three hundred and forty-four 80/100.....Dollars
and charge to trust account No.....
Flll in No. of Pass Book.

$25,344.80

FARMERS BANK OF CANADA.
"W. R. TRAVERS",
Genl. Mngr.
"P. J. T. FRAYNE",
Asst. Mngr.

EXHIBIT 54.

Cheque No. A 5080 of the Trusts & Guarantee Company, signed by President and Manager for $500 in favour of Travers:

Negotiable without charge at any Office of The Ontario Bank.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. A 5080. Toronto, Oct. 23rd, 1906.

Pay to the order of W. R. Travers, Esq.....$500.00
Five hundred .....00/100 Dollars
Bal. loan .....

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.
"J. R. STRATTON",
President.
"JAMES J. WARREN",
Manager.

THE ONTARIO BANK,
TORONTO.
(Bank of Montreal,
Wellington St., Toronto).
"E. B. STOCKDALE",
Pro accountant.

Endorsements.—W. R. Travers and The Trusts and Guarantee Company, Limited.
Stamp.—The Ontario Bank, Toronto. Paid.

EXHIBIT 55.

Copy of letter Fitzgibbon to Travers, Nov. 29th, 1906:

THE FARMERS BANK OF CANADA.

Toronto, November 29th, 1906.

W. R. TRAVERS, ESQ.,
Russell House,
Ottawa, Ontario.

Dear Travers:—

Mr. Hunter called in this morning and I was glad to learn that so far things are going on nicely and trust you will have no trouble.

Mr. Hunter went over all the applications and informs me that they are in first class shape and that he would have no hesitation in exhibiting them if called for. At his request I enclose three blank checks out of the check book in case you have occasion to use them.

Wishing you success, I am,

Yours faithfully,

"J. FITZGIBBON."

P.S.—Dr. Nesbitt has just called to inquire how things were going and I have given him the gist of Mr. Hunter's report this morning.

EXHIBIT 56.

Copy certificate of deposit to credit of Farmers Bank by Trusts & Guarantee Company. Certificate of deposit to credit of Farmers Bank by J. A. M. Alley, Manager Traders Bank:

This is to certify that the Farmers Bank of Canada had at their credit with the Traders Bank of Canada, on the evening of December 17th, $153,576.81 Dollars.

"J. A. M. ALLEY",
Manager.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.
14 King St. West.

Toronto, December 18th, 1906.

We hereby certify that we have to the credit of the Farmers Bank of Canada the sum of $80,605.81, with interest at 3½% on the following sums from the dates opposite such sums:

December	6th	$30,000.00
"	7th	25,000.00
"	17th	25,605.81

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

.....

Manager.

EXHIBIT 57.

Seven copies of cheques of the Trusts & Guarantee Co., Ltd.:

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. A 8821. Toronto, February 4th, 1907.

Pay to the order of Union Bank of Canada.....$3,000.00
Three Thousand.....00/100 Dollars
Re Farmers Bank Deposit Account.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.
"J. R. STRATTON", *President.*
"JAMES J. WARREN", *Manager.*

PAID
(Countersigned, E. B. STOCKDALE.)

(Bank of Montreal, Wellington St., Toronto; accepted, Feb. 14, 1907.)

(Bank of Montreal, Wellington St., Toronto; PAID, Feb. 15, 1907, Banks.)

(Audited, H. VIGEON, 3.)

Union Bank of Canada, Feb. 14, 1907, 2nd, Toronto.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. A 8896. Toronto, February 19, 1907.

Pay to the order of Union Bank of Canada.....$17,000.00
Seventeen Thousand.....00/100 Dollars
Re Farmers Bank deposit account.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.
"J. R. STRATTON", *President.*
"E. B. STOCKDALE", *Manager.*

PAID

(Bank of Montreal, Wellington St., Toronto; ACCEPTED, Feb. 20, 1907, 2.)

(Bank of Montreal, Wellington St., Toronto; PAID, Feb. 20, 1907, Banks.)

(Audited, H. VIGEON, 3.)

(Union Bank of Canada, Feb. 19, 1907, 2nd, Toronto.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. A 8971. Toronto, February 26, 1907.

Pay to the order of The Union Bank of Canada.....$10,000.00

Ten Thousand.....00/100 Dollars

Re Farmers Bank Dep. A/c.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.

PAID

"J. R. STRATTON", *President.*
"JAMES J. WARREN", *Manager.*

(Bank of Montreal, Wellington St., Toronto; ACCEPTED, Feb. 27, 1907, 2.)

(Bank of Montreal, Wellington St., Toronto; PAID, Feb. 27, 1907, Banks.)

(Audited, H. VIGEON, 3.)

(Union Bank of Canada, Feb. 26, 1907, 2nd, Toronto.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. B 147. Toronto, March 20, 1907.

Pay to the order of The Union Bank of Canada.....$15,000.00

Fifteen Thousand.....00/100 Dollars

Re The Farmers Bk. of Canada dep. acct.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.

PAID

"J. R. STRATTON", *President.*
"E. B. STOCKDALE", *Manager.*

(Bank of Montreal, Wellington St., Toronto; ACCEPTED, Mar. 21, 1907.)

(Bank of Montreal, Wellington St., Toronto; PAID, Mar. 21, 1907, Banks.)

(Union Bank of Canada, Mar. 20. 20, 1907, 2nd, Toronto.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. B 205. Toronto, Mar. 25, 1907.

Pay to the order of Union Bank of Canada.....$10,000.00

Ten Thousand.....00/100 Dollars

Farmers Bank of Canada Cheque.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.

PAID

"J. R. STRATTON", *President.*
"JAMES J. WARREN", *Manager.*

(Bank of Montreal, Wellington St., Toronto; ACCEPTED, Mar. 26, 1907, 2.)

(Bank of Montreal, Wellington St., Toronto; PAID, Mar. 26, 1907, Banks.)

(Union Bank of Canada, Mar. 25, 1907, 2nd, Toronto.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. B 414. Toronto, April 9, 1907.

Pay to the order of The Royal Bank of Canada.....$10,000.00

Ten Thousand.....00/100 Dollars

Re Farmers Bank deposit.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.

PAID

"J. R. STRATTON", *President.*
"E. B. STOCKDALE", *Manager.*

(Bank of Montreal, Wellington St., Toronto; ACCEPTED, April 9, 1907, 2.)

(Bank of Montreal, Wellington St., Toronto; PAID, April 10, 1907, Banks.)

(Vigeon & Company, Chartered Accountants, 3, May 17, 1907.)

(The Royal Bank of Canada, Apl. 9, 1907, Toronto, Ont.)

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

No. B 348. Toronto, April 8, 1907.

Pay to the order of Union Bank of Canada.....$15,605.81
Fifteen Thousand Six Hundred and Five.....81/100 Dollars

Re Farmers Bank dep.

THE TRUSTS & GUARANTEE COMPANY, LIMITED.

PAID "J. R. STRATTON", *President.*
"JAMES J. WARREN", *Manager.*

(Bank of Montreal, Wellington St., Toronto; PAID, Apr. 9, 1907, Banks.)

(Vigeon & Company, Chartered Accountants, 3, May 17, 1907.)

Union Bank of Canada, Apr. 8, 1907, 2nd, Toronto.)

EXHIBIT 58.

Seven cheques of Farmers Bank on Trusts & Guarantee Co., payable to the Union Bank and signed by Travers and Frayne, for Farmers Bank:

CHEQUE NO. 1.

No. 158. Toronto, Feb'y 14th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to The Union Bank of Canada.....or order
Three Thousand.....00/100 Dollars

and charge to trust account No. 1114.

THE FARMERS BANK OF CANADA

File in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$3,000.00. "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.

Stamp.—Trusts & Guarantee Co., Limited. Paid, Feb. 14, 1907.

NO. 2, EXHIBIT 58.

No. 158. Toronto, Feb'y 19th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St. West.

Pay to Union Bank of Canada.....or order
Seventeen Thousand.....00/100 Dollars
and charge to trust account No. 1114.

THE FARMERS BANK OF CANADA

Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$17,000.00. "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.
Stamp.—Trusts and Guarantee Co., Limited. Paid.

CHEQUE NO. 3, EXHIBIT 58.

No. 158. Toronto, Feb'y 26th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to The Union Bank of Canada.....or order
Ten Thousand.....00/100 Dollars
and charge to trust account No.

THE FARMERS BANK OF CANADA

Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$10,000.00. "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.
Stamp.—The Trusts and Guarantee Co., Ltd. Paid.

CHEQUE NO. 4, EXHIBIT 58.

No. 158. Toronto, Mch. 20th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to Union Bank of Canada.....or order
Fifteen Thousand.....00/100 Dollars
and charge to trust account No. 1114.

THE FARMERS BANK OF CANADA

Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$15,000.00. "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.
Stamp.—The Trusts and Guarantee Co., Ltd. Paid.

CHEQUE NO. 5. EXHIBIT 58.

No. 158. Toronto, Mch. 25th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to Union Bank of Canada.....or Order
Ten thousand .....00/100 Dollars
and charge to trust account No.....

THE FARMERS BANK OF CANADA
Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$10,000.00 "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.
Stamp.—The Trusts and Guarantee Co., Ltd. Paid.

CHEQUE NO. 6, EXHIBIT 58.

No. 158. Toronto, April 8th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to The Royal Bank of Canada.....or order
Ten thousand .....00/100 Dollars
and charge to trust account No. 1114.

THE FARMERS BANK OF CANADA
Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$10,000.00 "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Royal Bank of Canada.
Stamp.—The Trusts and Guarantee Co., Ltd. Paid.

CHEQUE NO. 7, EXHIBIT NO. 58.

No. 158. Toronto, Apl. 8th, 1907.

THE TRUSTS AND GUARANTEE COMPANY, LIMITED.

Offices, 14 King St., West.

Pay to Union Bank of Canada.....or order
Fifteen thousand six hundred and five.....81/100 Dollars
and charge to trust account No. 1114.

THE FARMERS BANK OF CANADA
Fill in No. of Pass Book. "W. R. TRAVERS", *Gen'l Manager.*
$15,605.81. "P. H. FRAYNE", *Asst. Manager.*

Endorsed.—Union Bank of Canada.
Stamp.—The Trusts and Guarantee Co., Ltd. Paid.

EXHIBIT 59.

List of certain shareholders and subscriptions:

	Original Amount	Spread in Full	Spread in Part	Cancelled	Since Paid	Since Rec'd.	Transf'd.	Good	Bad
Aitken, Thos.	2,500	2,500	...	1,500	....	1,000	....	....	....
Bate, Jos. E.	5,000	5,000	...	3,000	....	2,000	....	....	2,000
Bell, Rob.	1,000	1,000	....	1,000	....	....	....	....	....
Fox, Thos.	5,000	5,000	....	....	1,000	4,000	....	1,500	2,500
Denoon, Geo.	2,000	2,000	....	....	....	....	2,000	....	....
Elliott, R. A.	500	500	....	....	500	....	....	....	....
Elliott, Thos.	1,000	1,000	....	....	....	....	....	....	500
Ford, D. F.	2,500	2,500	....	....	900	1,600	....	....	....
Hunter, Wm.	2,500	2,500	....	....	....	2,500	....	2,500	....
Hunter, Thos.	2,500	2,500	....	....	....	....	....	....	....
Hamilton, Mrs. A. (U)	1,000	1,000	....	....	50	950	....	450	500
Harris, Wm.	500	500	....	....	....	....	500 Pd.	....	....
Kemp, D. C.	5,000	5,000	....	....	100	4,900	....	1,900	3,000
Matthews, Alex.	500	500	....	....	....	....	....	....	....
McDuffee, P. A.	2,500	2,500	....	....	50	450	2,000	....	....
Pell, John.	1,000	1,000	....	....	....	....	....	....	....
Robinson, Geo.	1,000	1,000	....	....	....	1,000	....	....	....
Storey, Geo.	5,000	5,000	....	....	....	5,000	....	....	5,000
Shortreed, W.	1,000	1,000	....	....	....	1,000	....	....	....
Thompson, Geo. H.	5,000	5,000	....	....	500	1,000	3,500	....	....
Weir, Eliz. A.	500	500	....	....	....	500	....	200	300
Snelgrove, E. W.	1,000	1,000	....	....	....	1,000	....	....	1,000
Aylwiu, L.	1,000	....	500	....	....	....	....	....	....
Beaty, W. P.	5,000	5,000	....	3,000	1,000	1,000	....	....	....
Beaty, E. M.	200	....	20	....	....	200	....	100	100
Campbell, A.	200	....	50	....	....	....	....	....	....
Cheyne, Luther.	500	....	100	....	....	....	....	....	....
Cummins, A. C.	500	....	250	....	500	....	....	....	....
Daniels, Geo.	500	....	200	200	....	....	....	....	....
Howden, Thos.	500	....	50	....	....	500	....	....	....
Hume, Robt.	1,000	....	100	....	....	....	1,000 Pd.	....	....
Honeywill, E. H.	2,500	2,500	....	....	1,000	1,500	....	....	....
Kennedy, W. H.	500	....	250	....	50	450	....	....	....
Laird, Geo.	1,000	....	500	....	....	1,000	....	....	....
Menzies, Wm.	100	....	50	....	100	....	....	....	....
McLeod, John.	100	....	50	....	....	....	100 Pd.	....	....
McLaughlin, J. C.	200	....	100	....	200	....	....	....	....
McCallum, M.	200	....	100	....	....	200	....	200	....
Patterson, Er.	100	....	25	....	100	....	....	....	....
Scott, J. B.	500	....	100	....	....	....	500 Pd.	....	....
Sinclair, D.	500	....	200	....	500	....	....	....	....
Sinclair, G. W.	1,000	....	500	....	1,000	....	....	....	....
Whitham, L. F.	2,000	....	200	....	....	....	....	....	....
Wilkinson, G. H.	100	....	50	....	100	....	....	....	....

EXHIBIT 60.

Cheque for $3,000 *payable to W. R. Travers.*

No. 12. Toronto, Ont., Jan. 7th, 1907.

TO THE UNION BANK OF CANADA.

Pay W. R. Travers.....or Order
Three Thousand .....Dollars

$3,000.00 THE FARMERS BANK OF CANADA.
"W. R. TRAVERS",
General Manager.

Endorsed.—W. R. Travers.
Stamp.—Union Bank of Canada.—Paid.

EXHIBIT 61.

Six Farmers Bank cheques with deposit slip:

Cheque No. 1 of Exhibit 61.

No. 93. Toronto, 17th April, 1907.

THE FARMERS BANK OF CANADA.

Pay to W. J. Lindsay.....or Order
Six thousand.....00/100 Dollars $6,000.00

THE FARMERS BANK OF CANADA.
"J. FITZGIBBON",
General Manager.

Endorsed.—W. J. Lindsay.
Stamp.—The Farmers Bank of Canada.—Paid.

Cheque No. 2 of Exhibit 61.

No. 105. Toronto, 20th April, 1907.

THE FARMERS BANK OF CANADA.

Pay to W. R. Travers .....or Order
Six thousand .....00/100 Dollars $6,000.00

THE FARMERS BANK OF CANADA.
"J. FITZGIBBON",
Pro Manager.

Endorsed.—W. R. Travers.
Stamp.—Farmers' Bank of Canada.—Paid.

Cheque No. 3, Exhibit No. 61.

No. 157. Toronto, 14th June, 1907.

THE FARMERS BANK OF CANADA.

Pay to W. R. Travers.....or Order
Six thousand.....00/100 Dollars $6,000.00

THE FARMERS BANK OF CANADA.
"J. FITZGIBBON",
Pro Manager.

Endorsed.—W. R. Travers.
Stamp.—Farmers' Bank of Canada.—Paid.

Cheque No. 4, Exhibit No. 61.

No. 272. Toronto, 1st Oct., 1907.

THE FARMERS BANK OF CANADA.

Pay to W. J. Lindsay.....or Order
Three thousand.....00/100 Dollars $3,000.00

THE FARMERS BANK OF CANADA.
"J. FITZGIBBON",
Pro Manager.

Endorsed.—W. J. Lindsay.—Farmers' Bank of Canada.
Stamp.—Farmers' Bank of Canada.—Paid.

Cheque No. 5, Exhibit No. 61.

No. 353. Toronto, 27th Dec., 1907.

THE FARMERS BANK OF CANADA.

Pay to W. R. Travers.....or orde
Twenty-four hundred and Sixty-four.....00/100 Dollars $2464.00

THE FARMERS BANK OF CANADA.
"J. FITZGIBBON",
Pro Manager.

Endorsed.—W. R. Travers.—Farmers' Bank of Canada.
Stamp.—The Farmers Bank of Canada.—Paid.

Cheque No. 6, Exhibit No. 61.

No. 002. Toronto, Mch. 25th, 1908.

THE FARMERS BANK OF CANADA.

Pay to The Farmers Bank of Canada.....or Order
Twenty-one thousand six hundred and seventy-five...0/100 Dollars $21,675.00

CONTINENTAL SECURITIES CO.
Per "J. T. HUGGARD",
President.

Stamp.—The Farmers Bank of Canada.—Paid.

EXHIBIT 62.

Mrs. Lindsay's account in the Bank of Montreal and four cheques:

Cheque No. 1.

Account No. 9063. Toronto, Feb. 5th, 1907.

TO THE BANK OF MONTREAL.

Yonge St. Branch.
Savings Department.

Pay to The Farmers Bank.....or Order
Two Hundred and Seven.....81/100 Dollars

$207.81 "ANNA M. B. LINDSAY."

Endorsed.—Union Bank of Canada.
" —Farmers Bank of Canada.—Paid.

Cheque No. 2, Exhibit 62.

Account No. 9063. Toronto, Ont., Mar. 9th, 1907.

TO THE BANK OF MONTREAL.

Yonge St. Branch.

Savings Department.

Pay to J. R. L. Starr.....or order
Three Hundred and fifty.....00/100 Dollars

$350.00 "ANNA M. B. LINDSAY."

Endorsed.—J. R. L. Starr.—Bank of Nova Scotia.—Paid.

Cheque No. 3, Exhibit 62.

Account No. 9063. Toronto, March 26th, 1907.

TO THE BANK OF MONTREAL.

Yonge St. Branch.

Savings Department.

Pay to Farmers Bank of Canada.....or Order
Twenty-two Hundred and Fifty-six.....25/100 Dollars

$2256.25 "ANNA M. B. LINDSAY."

Endorsed.—The Farmers' Bank of Canada.—Paid.

Cheque No. 4, Exhibit 62.

Account No. 9063. Toronto, Oct. 18th, 1907.

TO THE BANK OF MONTREAL.

Yonge St. Branch.

Savings Department.

Pay to Farmers Bank of Canada.....or Order
One Thousand .....00/100 Dollars
For Twin City Stock.

$1000.00 "ANNA M. B. LINDSAY."

Endorsed.—Farmers Bank of Canada.—Paid.

MRS. A. M. B. LINDSAY

IN ACCOUNT WITH

BANK OF MONTREAL, Yonge Street, Toronto.

	DR.			CR.	
Date	PARTICULARS	Amount	Date	PARTICULARS	Amount
1907			1906		
Feb. 6	Withdrawals	207.81	Aug. 7	Balance	501.25
Mar. 20	"	350.00	Dec. 10	Deposit	3,000.00
Mar. 27	"	2,256.25	Dec. 31	Interest	7.51
July 4	"	30.00	1907 Mar. 25	Deposit	24.84
Oct. 22	"	1,000.00	June 30	Interest	24.21
Dec. 31	Balance	44.36	Oct. 8	Deposit	325.00
			Dec. 31	Interest	5.61
		3,888.42			3,888.42

EXHIBIT 63.

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RE THE FARMERS BANK OF CANADA.

The Farmers Bank of Canada was incorporated by Act of Parliament of Canada being Chapter 77, Statutes 1904, the incorporators being:—

JAMES GALLAGHER, Teeswater.
JOHN WATSON, Listowel.
JOHN FERGUSON, Toronto.
ALEX. FRASER, Toronto.
A. S. LOWN, Dratyon (Now of Toronto).

By Act being Chapter 92, Statutes 1905, an amendment was procured extending the time for obtaining a Certificate to do business from the Treasury Board to the 18th July, 1906; and by further Act being Chapter 94, Statutes 1906, a further extension of six months was obtained until 18th Dec., 1906, in which the Certificate to commence business could be obtained. Such Act required that in event of the Bank not obtaining the Certificate within the time allowed, the rights and powers conferred by Act of Corporation should cease.

The first meeting of the Provisional Directors was held on the 26th Aug., 1904, Dr. John Ferguson being appointed Chairman and Alex. Fraser as Acting Secretary. On the 8th Feb., 1905, Wm. Beath was appointed Secretary and Treasurer, and on the 13th Feb., A. S. Lown appointed Chairman in the place of Dr. Ferguson. On the 10th April, 1905, Wm. Beath resigned and C. H. Smith was appointed Secretary and Treasurer.

On the 10th Mar., 1906, an Agreement was entered into between the Provisional Directors and W. R. Travers as to his acting as General Manager, a Minute was also passed making provision for Lown and Smith in event of the Bank starting business and the granting of $3,000 to Dr. Ferguson and Alex. Fraser for their services as Provisional Directors and Organizers was approved of.

On the 21st Mar., 1906, a Resolution was passed granting relief to Travers in respect to $100,000 subscriptions to the Bank Stock, which he had undertaken to obtain. A resolution was passed approving of a prospectus.

On the 19th Apr., 1906, the Board approved of the progress made by Travers, confirmed him in his position, provided the organization of the Bank was completed within six months, or such time as the Board might determine. At the same time Smith was continued in his position as Secretary and Treasurer, and all matters connected with the organization of the Bank were stated to be under the control of the General Manager and the Provisional Directors.

On the 23rd June, 1906, the opinion of Urquhart & MacGregor was obtained as to the legality of the Provisional Board accepting notes in settlement of subscriptions for stock, and it was resolved that instructions be given to Travers that no notes be accepted but that the terms of the subscription blanks were to be adhered to unless varied by the Board.

On the 4th July, 1906, the Resolution passed on the 23rd June, 1906, was revoked in view of a letter obtained from Messrs. Urquhart & Page, and an Agreement entered into between Travers, Smith and the Members of the Board was confirmed and signed, such Agreement providing for the payment to the Members of the Provisional Board of the sum of $20,000 for their services. On the same day a payment of $10,000 was authorized to be made to Travers on account of commissions on the sale of Capital Stock and this amount was immediately paid over to the Provisional Directors, apparently in part satisfaction of the $20,000 to be paid under the Agreement mentioned. A Resolution was also passed authorizing Smith and Travers to endorse all notes made in favor of the Bank for the purpose of raising money to make the deposit with the Treasury Board of the Dominion Government.

On the 5th Sept., 1906, the Chairman of the Board was authorized to give authority to Travers to insert the notice required by the Bank Act for the purpose

of organization as soon as the Government deposit had been made and other necessary acts done.

On the 8th Oct., 1906, a Resolution was passed authorizing the Provisional Directors to execute a Power of Attorney for the purpose of empowering W. R. Travers to endorse all notes in their names as Provisional Directors and to sign their names to notes for the purpose of raising funds for the deposit with the Dominion Government. The Secretary was authorized to hand over all notes to W. R. Travers for that purpose.

On the 10th Oct., 1906, Travers arranged a loan of $81,000 from the Trusts & Guarantee Company, hypothecating with it notes to the amount of $100,955.

Under date of 22nd Oct., 1906, subscriptions for Bank stock to the amount of $69,400 were apparently obtained—these with the Laidlaw subscriptions amounting to $21,900 in dispute made a total subscription of $579,200.

On the 23rd Oct., 1906, Travers obtained a further loan of $20,500 from the Trusts & Guarantee Company, pledging securities and more promissory notes thereagainst.

By notices date Oct. 23rd, 1906, a meeting of Subscribers for the purpose of organizing the Bank was called for Nov. 26th, 1906.

On the 23rd Oct., 1906, Travers deposited the sum of $250,000 in the Bank of Montreal. At this time the amount of cash in the hands of the Provisional Directors was approximately $150,861, such an amount being sufficient with the $100,000 from the Trusts & Guarantee Company to make the deposit.

Difference having arisen with several Shareholders, represented by Wm. Laidlaw, K.C., with respect to their subscriptions and a writ having been threatened or issued, Travers on the 26th Oct., 1906, procured a loan of $2,380 from the Trusts & Guarantee Company upon certain life insurance policies and with the proceeds repaid to such Shareholders the amounts paid by them on account of their subscriptions.

On the 30th Oct., 1906, Smith resigned as Secretary and Treasurer of the Provisional Board, Travers being appointed in his place and the Resolution authorizing Lown, Smith and Travers to sign cheques and endorse notes was rescinded and in substitution thereof Lown and Travers were given authority to do so.

On the 26th Nov., 1906, the Organization Meeting of Subscribers to Stock in the Farmers Bank of Canada was held when the Provisional Board reported bona fide subscriptions of $579,200, that it had paid to the Dominion Government the sum of $250,000, and further that Organization Expenses as far as had been paid amounted to the sum of $41,291.

Upon Resolution all the acts of the Provisional Directors were ratified and confirmed, by-laws were passed and the permanent Directors appointed.

As to whether the $579,200 subscriptions were bona fide or not must rest upon a find of facts in regard thereto. It will be noted that the amount shown as paid up upon these subscriptions in the Return to the Government mentioned in the next paragraph was $291,310, equal to within $19 the amount of the payment made to the Government $250,000 and the expenses said to have been discharged to the extent of $41,291 (as reported by the Board of the Provisional Directors). Inasmuch as the amount actually expended by the Prvoisional Directors up to that time was $45,139.49, it is apparent that the amounts stated in their report were made to fit the figures shown in the Government Return, which was false, rather than to agree with their books.

Under date of 27th Nov., 1906, an affidavit was made by Travers as to the deposit, and a list of Shareholders was forwarded to the Department showing $579,200 stock subscribed for with $291,310 paid thereupon. Included in this latter amount were sums aggregating $75,995 as per list, which were set opposite the name of Shareholders as sums having been paid by them when as an actual fact they had not made payment—these have hitherto been designated as "spread amounts."

With respect to the subscriptions amounting to $579,200, shown upon said list, $143,400 of them appear to have been afterwards cancelled, the sum of $15,435 appears to be still owing upon them, $13,800 is shown as having been paid upon them when as an actual fact the Bank received no benefit or payment in connection therewith, and with regard to subscriptions aggregating $8,100 shares representing the same were afterwards re-purchased out of funds borrowed from the Bank and not repaid at the time of its failure. This would seem to indicate that out of subscriptions totalling $579,200, as shown on the list returned to the Government, the Bank has received payment at this time to the amount of $398,465 only.

The permanent books of the Bank were opened under date of 27th Nov., 1906, the amount shown as paid on Capital Stock being that stated in the Government Return, $291,310. In order to strike a balance it became necessary to "fix" the accounts as shown on page which made the organization expenses $9,163 less than stated by the Provisional Directors in their report. To cover this up there was carried as cash in the book of the Bank three obligations amounting to $9,000, which did not represent obligations obtained for value but which were afterwards disposed of by returning them to the makers or otherwise. The effect of the method of opening the permanent books of the Bank was also to drop or hide an excess expenditure of $12,978, and this was afterwards taken care of by charging against Organization Account the sum of $25,344.80 paid to the Trusts & Guarantee Company, in final liquidation of its loans, in March, 1907.

In order not to disclose the liability to the Trusts & Guarantee Company, on the permanent books of the Bank, or in the Monthly Government Returns, which commenced with December, 1906, the amount paid to the Trusts & Guarantee Company in partial liquidation of their debt was shown by way of deposit of $80,605.81 and the accounts so composed that the difference between the actual receipts on account of the Capital Stock and that shown by the books of the Bank was offset by the apparent deposit with the Trusts & Guarantee Company of $80,605, and the lessening of amounts shown as having been expended on organization and other accounts. The receipt of $20,027 of securities on account of payment of stock was not shown upon the permanent books at all, but, on the other hand, the Government Return showed $19,000 of securities in possession of the Bank. At this time, therefore, the permanent books of the Bank did not state the correct condition of affairs, while the Return to the Government differed from both.

From this time forward the books of the Bank were falsified from time to time to meet exigencies, defalcations and bad debts, and at the time of the failure of the Bank they did not represent the true condition of its affairs.

The memoranda which follow have been divided as shown in the index.

The condition of the Bank from a financial standpoint at the time of obtaining the certificate may be more particularly ascertained from a perusal of the information contained under the headings pages 30 to 44. The total amount of money received from the sale of the Capital Stock is set out on page 18 attached hereto. Provisional Directors' and other expense Accounts follow showing a disposition of the moneys of the Bank and accounting for its losses to all but a negligible extent. The trial balance and the balance sheets, as at the time of the failure, is included and one of Oct. 31st, 1911, when the last valuation of assets was made. The receipts and payments since that time will have little effect on the accounts as all moneys collected were, except to a minor extent, entirely applied in redemption of circulation.

To obtain the value of the assets reference may be had to a detailed list of all bills receivable at all the Branches, as at the time of the failure, showing receipts and setoffs up to 31st Oct., 1911, and also to a memorandum of valuations of said assets and losses as of that date.

With regard to Branch Premises and Real Estate, if desired, information

with regard to the premises and detailed inventories of furniture and fixtures can be produced.

With respect to Capital Stock, a Statement will be produced giving a list of contributories and showing in detail all payments made in respect to each and every share therein included, the same having been checked up from the original cash and Branch Returns irrespective of the Capital Account as shown in the Head Office of the Bank.

CAPITAL STOCK SUBSCRIPTIONS.

Memoranda hereinafter following show that at the time of the application for the Certificate, the Bank apparently had subscriptions to Capital Stock to the amount of $579,200.

Before a meeting of the subscribers could be called it was necessary that the Bank should have bona fide subscriptions to the amount of $500,000. The meeting of subscribers was called on October 23rd, 1906, and therefore it was necessary that subscriptions to $500,000 of stock should have been obtained prior to that date. The Stock Subscription book of the Bank shows that on October 22nd, 1906, subscriptions to the amount of $69,400 were apparently obtained. A memorandum as to what happened to these subscriptions is set out on page hereto.

Included in the subscription list of $579,200 were also subscriptions to the amount of $21,900 made by clients of William Laidlaw, K.C., which subscriptions were in dispute. As a matter of fact Travers was arranging to take them over, and did take them over, by way of repayment on October 26th, 1906.

At the time of the Suspension of the Bank it was stated to me by J. G. Fitzgibbon that the subscriptions dated October 22nd were in reality taken about November 26th and antedated but this will probably be denied. As to whether the subscriptions were bona fide or not must rest upon a finding of fact. It has been sworn that they were, but the Bank received very little benefit from them. Most of them were made by agents, who were selling stock, and promotors of the Bank.

If it should be found that the subscriptions of October 22nd were not bona fide and that the subscriptions of the clients of William Laidlaw should not have been included in the return to the Government, it will be apparent that the amounts of subscriptions remaining aggregate $487,900 or insufficient to permit an application for the Certificate.

Assuming that the $579,200 of subscriptions were all bona fide, the facts as set out on page —hereto would indicate that shares were cancelled to the amount of $143,400, leaving a balance of $435,800 of abiding subscriptions. In connection with such there still remains unpaid $15,436 from which it is hardly to be hoped that the Bank will recover more than a minor portion. Subscriptions to the amount of $13,800 are shown by the books of the Bank to be fully paid for when as a matter of fact the Bank has not received any benefit whatsoever therefrom except to the extent of a few hundred dollars collected on the Kelly subscription since the Suspension. In addition Travers borrowed the sum of $8,100 from the funds of the Bank which he used to purchase shares included in the subscription list, so that the ultimate result is that the Bank so far has received from the original list of subscriptions $398,465 in addition to $200 or $300 from P. J. Kelly, and it may recover anywhere up to $5,000 or $6,000 from the unpaid proportions, but it will probably recover less than those amounts.

Examinations of individual subscriptions, ignoring entirely the Capital Account in the Head Office books of the Bank, indicate that the Bank has received $532,599 from Capital Stock and if the loss of $20,000 in connection with the Tevis loan, the proceeds of which were used to pay his Capital Stock subscription, is charged against bad debts and not Capital Account, the amount will be increased $552,599. In addition to these sums the Bank received in premiums $13,555, but I think this should be set against Commission charges of $71,800 withdrawn from the funds of the Bank apparently in connection with sales of stock.

Particulars of the amounts shown to have been paid on stock in the Government return of November 27th, 1906, when as a fact the actual cash payments had not been received from subscribers credited, are set out on page 40 to 41 hereto.

Detailed list of contributories together with particulars of payments in respect to all shares and in respect to each and every subscription has been made but is not combined with this memorandum.

Attention is drawn to the Devean, Menzie, Continental Securities, Tevis, Chapman and Travers stock transaction, particulars of which are set out on page 25 hereto. The memorandum omits to state that the Menzie transaction had its inception in his taking over stock subscribed and paid for by Devean, whose money was returned to him.

Original list filed with the Minister of Finance shewed subscriptions on November 27th, 1906, for 5,792 shares. Prior to the filing of list litigation had arisen in regard to the subscriptions below mentioned, through William Laidlaw, K.C.—

No. 1	George Castle	10	shares
2	W. A. Dixon	50	"
3	Geo. Denoon	20	"
4	J. Sproat	100	"
5	R. Hume	10	"
6	J. McLeod	1	"
7	J. Murray	10	"
8	F. McCallum	10	"
9	Wm. McLean	5	"
10	Jane Shuert	3	"
	Total	219	"

Travers borrowed money upon life insurance policies and repaid payments made on same and under date of 26th October, 1906, the subscriptions were transferred to W. J. Lindsay who on 22nd December, 1906, as attorney for the subscribers transferred the subscriptions to the following—

Subscriptions 1, 3, 7 and 8	to Dr. W. E. Hamill	50	shares
" 2	to J. Vise	50	"
" 4	to T. H. Wylie	100	"
" 5	to J. Stewart	10	"
" 6	to A. McDonald	1	"
" 9 and 10	to Farmers Bank for cancellation	8	"
	Total	219	"

None of the transfers were accepted by the Assignees except that to James Stewart who with A. McDonald paid for the 11 shares assigned to them. Of the remainder payments appear to have been made by

	Dr. W. E. Hamill for	1	share
	J. Vise	1	"
	T. H. Wylie.....7 shares		
	Less improper credit for 1 share	6	shares
		8	
Add	T. H. Wylie, share unpaid for	1	share
	J. Stewart	10	shares
	A. McDonald	1	share
	Total	20	shares

the remainder of shares, numbering 199, were afterwards cancelled but no formal acceptance or cancellation was effected of subscriptions assigned to Bank by Wm. McLean or Jane Shuert, although they were erased from the books of the Bank.

Early in March, 1907, N. M. Devean, the holder of 200 shares of stock in payment for which he had transferred to the Bank

Cash	$100.00
Promissory Note	900.00
Securities	19,000.00
	$20,000.00

had a disagreement with Travers which resulted in his stock being transferred to R. E. Menzie, of Toronto, who gave the Bank a promissory note in payment, secured by Capital Stock in The Menzie Wall Paper Company—no interest was payable on this note. It is said that certain disabilities attached to it and that it was improperly endorsed by The Menzie Wall Paper Company, Limited, Menzie's personal responsibility was doubtful and the Capital Stock of the Company also of uncertain value. On the completion of the transaction the Bank returned to Devean his cash, note and securities. The Bank made no collection from Menzie and on March 31st, 1908, the stock, with 200 shares more he had subscribed for, was transferred to The Continental Securities Company which had subscribed for 5,100 shares conditionally and Menzie's note and securities were returned to him. Of the Continental Securities Company's subscription 1,150 shares were transferred to one J. Tevis, who hypothecated securities with the Bank which later realized $95,000—100 shares to W. R. Travers and 3,850 shares to M. D. Chapman in trust, the latter subscription being cancelled on October 19th, 1910.

These cancellations of subscriptions shown upon list filed with the Government were made—

Rd Laidlaw List:—

January 15th, 1908	Dr. W. E. Hamill	49 shares	
" "	J. Vise	40 "	
" "	T. H. Wylie	93 "	
Add removed from list:—			
	Wm. McLean	5 "	
	Jane Shuert	3 "	196 shares

Re Devean & Menzie Stock:—

It is not possible to say that the 200 shares is or is not part of stock paid for in cash by J. Tevis on stock transferred to him.

Re W. J. Lindsay Stock:—

Subscription shown on Government List	550 shares	
Cancelled March 18th, 1908	440 "	440 shares
	110 "	
Transferred:—		
December 30th, 1907, to W. R. Travers	50 "	
Appears to form part of 116 shares held by W. R. Travers and cancelled November 17th, 1909		50 "
	60 "	
January 13th, 1908 to W. R. Travers	50 "	
Appears to form part of 116 shares held by W. R. Travers and cancelled November 17th, 1909		50 "
	10	
January 25th, 1907, Transfer to W. E. Brown and paid for	5 "	
Balance held by Lindsay and paid for out of commissions	5 "	

Re W. R. Travers Stock:—

Subscription shown on Government list..... 50 shares
Only shares so far as can be seen which were afterwards transferred to W. R. Travers unpaid and afterwards cancelled on November 17th, 1909, were:—
W. J. Lindsay..... 100 "
Jas. Bowley..... 10 "
Lindsay shares are extended above, leaving for Bowley transfer..... 10 shares
Travers is credited with $500 as paid on $5,000. Stock shown on list. This was charged to commissions.

Other cancellations were:—

April 17th, 1907	A. J. Witham.....	25 shares	
	Neil Stewart.....	25 "	
	Thos Aitken.....	15 "	
	Robt. Bell.....	10 "	
	W. T. Beatty.....	30 "	
	A. B. Bradley.....	10 "	
	Jos. E. Bate.....	30 "	
	G. Daniels.....	5 "	
	J. B. Greer.....	50 "	200 "
May 15th, 1907	D. S. Macorquodale.....	1 share	
	B. D. Mccorquodale.....	1 "	
	F. D. Macorquodale.....	1 "	3 "
June 19th, 1907	J. Gallagher.....	1 "	1 share
December 18th, 1907	T. Cox.....	25 shares	
	C. S. Aylwin.....	10 "	
	Ella M. Beatty.....	1 "	
	T. Elliott.....	5 "	
	T. Hunter.....	25 "	
	Alice Hamilton.....	5 "	
	D. C. Kemp.....	30 "	
	G. Laird.....	10 "	
	A. Matthews.....	5 "	
	J. Pell.....	9 "	
	E. W. Snelgrove.....	10 "	
	Geo. Storey.....	50 "	
	Eliza Weir.....	3 "	188 shares
December 31st, 1907	L. Cheyne.....	5 "	
	R. W. Fox.....	15 "	
	H. F. Johnston.....	2 "	22 "
March 18th, 1908	M. Beattie.....	5 "	
	T. Casey.....	2 "	
	E. Church.....	1 "	
	J. Dewar.....	5 "	
	M. Davidson.....	50 "	
	J. Fortier.....	2 "	
	A. E. Forget.....	50 "	
	A. G. H. Luxton.....	10 "	
	T. P. Smith.....	50 "	
	P. Sayers.....	10 "	
	Eliz. Wharton.....	3 "	188 "
June 23rd, 1909	J. Sundstrom.....	25 "	25 "
October 20th, 1909	T. Elliott.....	5 "	5 "
October 27th, 1909	T. Alderson.....	5 "	5 "
November 17th, 1909	J. G. Fitzgibbon.....	1 "	
	G. H. Thompson.....	35 "	36 "
May 18th, 1910.	J. Walker.....	2 "	2 "
		Total....	1434 shares

SUMMARY.

Subscription as per Government list		$579,200.00
Subscriptions subsequently cancelled as above		143,400.00
Balance		$435,800.00
Amount still unpaid upon such subscriptions is (p. 19)	15,435.00	
Amount of payments shown as made thereupon when benefit in cash or securities was not obtained by Bank is (See page 21.)	13,800.00	
Amount of stock therein purchased by Travers out of funds borrowed from Bank and not repaid is (See page 23.)	8,100.00	
Total	37,335.00	

The shares said to have been purchased by C. H. Smith out of sum of $1,273.50 borrowed from Bank and not repaid, are not known.

STOCK SUBSCRIPTION BOOK

List of Subscriptions at Time of Application for Certificate

Total of amended list as per books on October 22nd, 1906		$544,800.00
Add subscriptions included in Government return—but later stricken off book:—		
A. E. Forget	$5,000.00	
J. McLeod	100.00	
J. Sproat	10,000.00	
G. Gastle	1,000.00	
F. McCallum	1,000.00	
W. A. Dixon	5,000.00	
Jas. Murray	1,000.00	
Jane Shuert	300.00	
G. Denoon	2,000.00	
R. Hume	1,000.00	
W. McLean	500.00	
A. H. Hoover	5,000.00	
J. Murray	2,500.00	
		34,400.00
Total		$579,200.00

Included therein was:—

Laidlaw Subscription	$21,900.00
Subscriptions dated October 22nd, 1906	69,400.00
Total	$91,300.00

FATE OF SUBSCRIPTIONS OBTAINED UNDER DATE OCTOBER 22nd, 1906.

Total amount of Subsctiptions			$69,400.00
Cancelled:—			
W. J. Lindsay		$50,000.00	
D. S. Macorquodale		100.00	
B. B. Macorquodale		100.00	
F. D. Macorquodale		100.00	
Jas. Gallagher		100.00	
A. G. H. Luxton		1,000.00	
A. B. Bradley		1.000,00	
		$52,400.00	
W. Beattie Nesbitt		10,000.00	
Charged to Commissions and Keeley Mine	$5,000.00		
Charged Clark Mfg. Co. and then Keeley Mine	5,000.00		
A. W. Thomas		1,000.00	
Purchased by Travers out of funds borrowed from Bank and not repaid.			
A. S. Lown		90.00	
Still owes.			
J. Gilchrist		2,300.00	
Charged against payment of J. Tevis			65,790.00
Direct Cash Payments			$3,610.00

Maximum credit allowable:—

Balance	$3,610.00
Thomas	1,000.00
Gilchrist	2,300.00
Total	$6,910.00

CAPITAL STOCK PAYMENTS

Stock subscriptions as per Ledger and List			$584,500 00
Less			
Unpaid thereupon			
On Subscriptions shown in list of November, 27th, 1906.		$15,435.00	
On Subscriptions dated after November 27th, 1906		1,486.00	
		16,921.00	
Deduct received upon cancelled subscription		20.00	
			16,901.00
Balance unpaid, as per Ledger			$567,599.00
Included in which are subscriptions shown as paid or partially paid when benefit in cash or securities to extent of credit was not received by the Bank—			
On Subscriptions on list of November 27th, 1906		$13,800.00	
On Subscriptions obtained after November 27th, 1906		21,200.00	
			35,000.00
Net cash payments outside of premiums received			$532.599,00
Stock purchased out of funds borrowed from Bank and not reapid:			
W. R. Travers		$9,100.00	
C. H. Smith, In Trust		1,273.50	
Total		$10,373.50	

UNPAID PROPORTIONS OF SUBSCRIPTIONS SHEWN UPON LIST OF NOVEMBER 27th, 1906.

W. H. Barnham	$ 60.00
Thos. Charlton	3,000.00
W. F. Davidson	25.00
W. F. Dewar	700.00
Margaret Denny	450.00
J. J. Dowling	95.00
Jas. Downey	190.00
Helen Freeman	900.00
Miss C. Gordon	190.00
L. V. Lavertine	285.00
A. S. Lown	90.00
S. Merner	5,000.00
Margaret McLean	450.00
W. T. Newman	450.00
Geo. Richardson	90.00
J. G. Ryan	95.00
Alex. Scott	180.00
M. N. Scott	1,000.00
Geo. Tucker	190.00
J. S. Visger	95.00
S. F. Witham	1,800.00
Dr. H. A. Yeomans	100.00
Total	$15,435.00

UNPAID PROPORTION OF SUBSCRIPTIONS OBTAINED AFTER NOVEMBER 27th, 1906.

D. H. Alger	$70.00
F. W. B. Arksay	192.00
J. A. Cameron	64.00
B. Cole	48.00
T. Devitt	80.00
W. G. Finkle	90.00
A. Galbraith	90.00
M. J. Long	90.00
Samuel Mitchell	300.00
Angus McGillis	180.00
R. W. McPhaden	48.00
O. Thompson	72.00
W. F. Woolard	72.00
E. Wright	90.00
Total	$1,486.00

LIST OF SUBSCRIPTIONS UPON LIST OF NOVEMBER 27TH, 1907, UPON WHICH PAYMENTS ARE SHOWN TO HAVE BEEN MADE WHEN AS A FACT THE BANK DID NOT OBTAIN CASH OR SECURITIES THEREFOR.

List of Subscriptions upon List of November 27th, 1907, upon which payments are shown to have been made when as a fact the Bank did not obtain cash or securities therefor.

J. E. Bate $2,000.00

Shewn as fully paid.—Bank holds unpaid promissory note of doubtful value.

J. G. Fitzgibbon 100.00

Shewn as fully paid when no payment received.—Liability of no value.....

P. J. Kelly 694.50

Shewn as fully paid. Bank held unpaid promissory notes which have since been largely met.

D. C. Kemp 205.50

Shewn as fully paid. Bank holds unpaid promissory note of doubtful value.

W. R. Travers 6,500.00

Covering Subscriptions.

W. R. Travers	$5,000.00
W. M. Hunter	1,500.00

Bank holds promissory notes of Travers to cover $6,000. Balance $500, charged against commissions.

S. F. Witham 200.00

Shewn as paid when no payment actually made. Included in 'Spread' payments.

Dr. T. H. Wylie 100.00

Shewn as paid when no payment actually made. Included in 'Spread' payments.

C. E. McEachren & W. Beattie Nesbitt 10,000.00

Shewn as paid, $5,000.00 by being charged against commission account and $5,000.00 by cheque of Clark Mfg. Co. which obtained large advances from Bank. These advances and liability of Nesbitt thereon were settled by transfer of Nesbitt's Keeley Mine stock to Bank.

W. J. Lindsay 500.00

Charges against Commissions 500.00

$20,300.00

Less

Travers' note.—Discharged by Tevis payment of $120,000.00 ..... 6,500.00

$13,800.00

PAYMENTS SHOWN UPON SUBSCRIPTIONS OBTAINED AFTER NOVEMBER 27TH, 1906, IN CONNECTION WITH WHICH BANK OBTAINED NEITHER CASH NOR SECURITIES.

W. R. Travers $1,200.00

Covered by his promissory note, of doubtful value.

J. Tevis 20,000.00

Deficiency in realization of Securities pledged with Bank to cover payment of stock in names of

J. Tevis	112,000.00
M. D. Chapman	3,000.00
	$115,000.00

Shewn as fully paid on books of Bank.

Total $21,200.00

STOCK RE-PURCHASED OUT OF FUNDS BORROWED FROM BANK AND NOT YET REPAID.

W. R. Travers			$9,100.00
Stock representing shares shewn on list of November 27th, 1906:—			
G. Wishart	(Meyer)	$500.00	
R. Nesbitt	(Noble)	1,000.00	
A. W. Thomson	(A. W. T.)	1,000.00	
F. D. McLennan, in Trust	(Estate R. D. McL.)	5,000.00	
Mary A. Harris	(M. A. H.)	200.00	
A. E. Green	(A. E. G.)	400.00	
		$8,100.00	
Later subscriptions:—			
J. W. Rutell	$100.00		
A. Groves	300.00		
J. E. C. Henderson	300.00		
Ellen Edwards	100.00		
		1,000.00	
C. H. Smith			$1,273.50

This is said to have been paid in purchase of stock, details of which do not appear.

MEMO RE CAPITAL ACCOUNT

Securities received on Capital Account and credited against Organization	$1,027.00	
Menzie's subscription paid by Tevis, credited to Organization account	20,000.00	
		21,027.00
Less Excess credit to Capital Account through Suspense Account		16,130.81
Excess receipts.—Difference—		$4,896.19

May be part of interest Suspense account included in charge to Branches in Suspense Account item of $45,149.70.

RE CONTINENTAL SECURITIES CO. SUBSCRIPTION.

Total authorized capital of Bank was	$1,000,000.00
Subscribed capital of Bank on December 18th, 1907, shewn at	638,500.00
Leaving unsubscribed	361,500.00

These cancellations of stock were made of subscriptions shewn on original list of November 27th, 1906, as per list attached, page 29, and there was allotted on March 18th, 1908, to Central Securities Co. 87,700.000 $449,200.00

The following transfers were made on March 31st, 1908:—

R. E. Menzie	$40,000.00	
J. Gilchrist	2,300.00	
A. Groves	7,000.00	
R. S. Brown	3,000.00	
A. Emerson	3,000.00	
W. R. Travers	6,500.00	
		$60,800.00
Total		$510,000.00

Of the above all but $20,000 stock held by Menzie appears to represent stock shewn on list of November 27th, 1906.

Continental Securities Company on November 16th, 1908, transferred the stock per A. R. Shaver, attorney, to the following—

J. Tevis	1150 shares
M. D. Chapman	3850 "
W. R. Travers	100 "
Total	5100 "

Tevis procured a loan of $120,000 from the Toronto Branch of the Bank upon $120,000 par value of stock of The American Piano Company and issued his cheque for $120,000 in payment for stock; $5,000 of such sum was put to the credit of Profit and Loss account. The Chapman stock was cancelled by the Board on October 19th, 1910, and 116 shares held by Travers on November 17th, 1909.

The declaration of December, 1908, to Government shewed that transferred stock amounted to		$71,300.00
Being made up of:—		
Shares transferred as per list on March 18th, 1908	$60,800.00	
Stock cancelled December 18th, 1907		
T. Hunter	2,500.00	
D. C. Kemp	3,000.00	
Geo. Storey	5,000.00	
		$71,300.00
on this $59,300 was shewn as paid up, when as a matter of fact this condition prevailed:—		
R. E. Menzie, credited as paid	$40,000.00	
Note of $40,000 of doubtful value held by Toronto Branch no interest charged thereon		
J. Gilchrist, credited as paid	2,300.00	
To cover 'spread' amount shewn on list November 27th, 1906.		
W. R. Travers, credit	6,500.00	
Nothing paid whatever thereon.		
T. Hunter	2,500.00	
D. C. Kemp	3,000.00	
Geo. Storey	5,000.00	
To cover 'spread' amounts shewn on list of November 27th, 1906.		
Total	$59,300.00	

The $510,000.00 stock to go to Continental Securities Co. was to be paid for by Continental Securities Co. at $130.00 per share, or		$663,000.00
and such amount was charged to Continental Securities Co. in Toronto Branch in this manner:—		
To cover stock obligations held at Milton and Norval		$15,500.00
Probably the following:—		
D. C. Kemp	$3,000.00	
Geo. Storey	5,000.00	
A. Emerson	3,000.00	
T. Hunter	2,500.00	
R. S. Brown	2,000.00	
	$15,000	
Appropriated by W. R. Travers	$21,675.00	
Applied on $55,000.00 note of W. R. Travers credited to Organization Account to extent of	45,000.00	
	66,675.00	
R. E. Menzie note held by Toronto Branch	40,000.00	
J. Gilchrist loan, to cover 'spread' amount of list of November 27th, 1906	2,300.00	
		124,475.00
Balance		$538,525.00

The Continental Securities Co. gave its cheque to the Bank for		$538,525.00
This created an overdraft in the account of the Continental Securities Co. to amount of		$663,000.00
and the Bank charged interest upon the same monthly until October 31st, 1908, when the total interest charged was		24,294.27
Making an overdraft of		$687,294.27
The whole overdraft was then transferred to "Special Suspense Account" in H. O.		$687,294.27
A charge being added to cover items charged into Rabbit Mountain Mining Account		40,000.00
		$727,294.27
Toronto Branch was then charged and credit taken by H. O. to reserve entry of cheque of		538,525.00
Leaving to be disposed of		$188,769.27
J. Tevis was charged with		59,300.00
To cover amounts shewn as paid up in declaration to Government of December 12th, 1908.		
Leaving		$129,469.27
Which was charged to:—		
M. D. Chapman	$20,500.00	
No good—still appears as debt due by him.		
Keeley Mine Stocks and Bonds	107,500.00	
Profit and Loss	1,469.27	
		$129,469.27

The sum and substance of this transaction to the Bank appears to have been:—

From Stock standpoint:—

J. Tevis apparently paid for stock to amount of $115,000.00 (outside of loss on sale of securities of $25,000.00) and his payment took care of this stock shewn by books to be paid for:—		
R. E. Menzie	40,000.00	
J. Gilchrist	2,300.00	
W. R. Travers	6,500.00	
T. Hunter	2,500.00	
D. C. Kemp	3,000.00	
Geo. Storey	5,000.00	
		59,300.00
Balance of		$55,700.00

being credited to Capital Account on November 14th, 1908.

From a financial standpoint, the transaction had this effect:—		
Travers appropriated to his own use		$21,675.00
A note of $55,000.00 given by Travers to cover up disbursements and withdrawals charged to Organization Account, was credited as having paid on it		45,000.00
the balance, $10,000.00 being charged to Bank premises.		
The sum of		40,000.00
was put to the credit of Rabbit Mountain Mining Co. to cover amounts charged therein which were placed to the credit of "Suspense Account"		
The Bank took credit for interest earned to the amount of		24,294.27
		$130,969.27
The same being charged to:—		
Keeley Mine Stocks and Bonds	$107,500.00	
M. D. Chapman (worthless)	20,500.00	
John Tevis		1,500.00
(Payment charged in excess of stock allowed as unpaid)		
Profit and Loss Account	1,469.27	
		$130,969.27

RE CONTINENTAL SECURITIES CO.

CANCELLED STOCK ALLOTTED TO IT, MARCH 18TH, 1908.

December 18th, 1907.		
Thos. Hunter	25 shares	
D. C. Kemp	30 "	
Geo. Storey	50 "	
	105 "	
Ella M. Beatty	1 "	106 shares
December 31st, 1907.		
H. F. Johnston		2 "
January 15th, 1908		
Dr. W. E. Hamill	49 "	
Dr. T. H. Wylie	93 "	
J. Vise	49 "	
		191 "
March 18th, 1908.		
W. J. Lindsay	440 "	
Thos. Casey	2 "	
E. Church	1 "	
John Dewar	5 "	
M. Davison	50 "	
P. Savers	10 "	
F. P. Smith	50 "	
Miss E. Wharton	3 "	
Matthew Beatty	5 "	
A. G. H. Luxton	10 "	
Jos. Fortier	2 "	
		578 "
Total		877 shares

Par value $87,700

FINANCIAL CONDITION OF THE BANK.

Sections 6 and 13 of the Bank Act permit (as soon as the sum of $250,000 obtained from bona fide subscriptions has been paid to the Minister), the Provisional Directors of a Bank to call an Organization Meeting of the Subscribers to the Bank. The Organization Meeting of the Farmers Bank was called by notice dated October 23rd, 1906. A statement of Receipts and Payments as of that date has been prepared. This statement had to be compiled for the reason that the books of the Provisional Directors came to me in a damaged condition. The statement indicates that on October 23rd, 1906, the Bank would have had on hand in cash the sum of $150,883.60 had it not borrowed from the Trusts & Guarantee Company the sum of $101,500, pledging there against subscribers' notes and securities. Outside of the loan it had not sufficient cash to make the deposit.

On November 26th, 1906, when the Organization meeting was held, the Bank had on hand the sum of $150,934.85, which with $100,000 received from the Trusts Company, made a total of $250,934.85. All of this, excepting $934.85 was deposited in the Bank of Montreal to the credit of the Receiver General.

Inasmuch as the return to the Government of November 27th, 1906, showed that the Bank had received all told from subscriptions, the sum of $291,310, of which $250,000 was on deposit to the credit of the Receiver General, the Provisional

Directors were compelled to show the expenditures which they had made on Organization account as $41,310, or less; they reported them at $41,291, when as a matter of fact the records of the Provisional Directors show that they had expended up to that time, the sum of $45,159.49. It is therefore apparent that the amount reported to the Shareholders Meeting was stated so as to conform with the Government Return and not the facts.

The permanent books of the Bank were opened under date of November 27th, 1906, upon the basis of the Government Return and were therefore incorrect from the start as will be seen from the Balance Sheet set out on page 37 of the Report. The effect of the difference between the permanent books and the Provisional Directors' as set out on page 38 is shown.

The Provisional Directors records were carried on during December, 1906, and a statement of December 31st, 1906, prepared, shows that the Permanent books still further varied from the facts and that the Government Return made at the end of December agreed with neither the Provisional Directors' or the Permanent books of the Bank.

The books of the Bank continued to be incorrect and at the time of the failure, did not show the correct condition of affairs.

THE FARMERS' BANK OF CANADA

STATEMENT OF RECEIPTS AND PAYMENTS OF PROVISIONAL DIRECTORS, OCTOBER 23RD, 1906.

Receipts

From Sales of Stock:—			
Cash Payments		164,106.71	
Cash Discounts		258.29	
		164,365.00	
Cash paid on account of notes accepted		21,705.00	
Securities accepted in payment	25,915.00		
Less sold thereof	5,888.00		
		20,027.00	
Securities as above sold		5,888.00	
		$211,985.00	
Notes accepted in payment for stock	198,210.00		
Less payments as above thereupon in cash	21,705.00		
in securities	675.00		
	22,380.00		
		$175,830.00	$387,815.00
Interest		690.56	
Rent		56.00	
Telephone		.10	
Exchange		7.64	
Protest		1.61	
Cash deposit C. B. 3, no particulars		50.00	
			805.91
Refund Commissions.—C. H. Smith		400.00	
Browning		367.12	
Beam		60.00	
Stickle		20.00	
			867.12
Borrowed from Trusts & Guarantee Co. upon Capital Stock notes			101,500.00
			$490,988.03

Payments

Commissions	21,337.09	
Directors' Fees	11,760.40	
Discounts	514.38	
Stationery	349.38	
Perry Cash	280.00	
Law Costs	1,038.30	
Travelling Expenses	1,057.82	
Salaries	1,886.00	
Exchange	56.55	
Expense	2,712.83	
Bonuses to Trusts & Guarantee Co.	1,500.00	
		$42,492.66
Furniture	327.65	
A. S. Lown	360.00	
Commissions afterwards refunded	867.12	
		1,754.77
Total		$44,247.43

SUMMARY

Total Receipts	490,988.60	
Less Payments	44,247.43	
Balance		$446,740.60

Represented by—

Bills Receivable on hand and with Trusts & GuaranteeCo	$175,830.00	
Deposits in Traders Bank	861.70	
Deposits in Bank of Montreal	250,000.00	
Securities held	20,038.50	
Small items to be adjusted	10.40	
		$446,740.60

THE FARMERS BANK OF CANADA

APPROXIMATE TRIAL BALANCE AS OF OCTOBER 23RD, 1906.

DR.

Organization and other expenses	$42,492.66	
A. S. Lown	560.00	
Furniture	327.65	
Bills Receivable	175,830.00	
Bank of Montreal	250,000.00	
Traders' Bank	861.70	
Stocks and Bonds	20,038.50	
Sundry Items	10.40	
		$490,120.91

CR.

Trusts & Guarantee Co.		$101,500.00	
Shareholders:—			
Cash payments	$191,958.00		
Securities	20,027.00		
Promissory Notes	175,830.00		
		$387,815.00	
Interest		690.56	
Sundry Items		115.35	
			$490,120.91

THE FARMERS BANK OF CANADA

STATEMENTS OF RECEIPTS AND PAYMENTS OF PROVISIONAL DIRECTORS TO NOVEMBER 26TH, 1906.

Receipts:—

From Sales of Capital Stock:—			
Cash		$167,436.71	
Discount		258.29	
			$167,695.00
Cash received on account of notes accepted			21,705.00
Cash received from Securities accepted in payment of Stock and sold			5,888.00
Securities accepted in payment for Capital Stock		25,915.00	
Less sold thereof		5,888.00	
			20,027.00
			$215,315.00
Notes received on account of Capital Stock Subscriptions	$198,210.00		
Less			
Cash payments on same	$21,705.00		
Securities accepted as payment	675.00		
	22,380.00		
		175,830.00	
			$391,145.00
Interest received			690.56
Cash deposit—no particulars			50.00
Rent and Sundry Items			65.78
Commissions refunded			867.12
Borrowed from Trusts & Guarantee Co. upon Capital Stock notes			101,500.00
Total			$494,318.46

Payments:—

Commissions paid	24,021.00	
Directors' Fees	11,760.40	
Discounts	514.38	
Stationery	349.38	
Petty Cash	320.00	
Law Costs	1,298.30	
Travelling Expenses	1,057.82	
Salaries	2,148.50	
Exchange	56.75	
Expense	2,745.31	
Bonuses to Trusts & Guarantee Co	1,500.00	
		45,771.84
Furniture	327.65	
A. S. Lown	560.00	
Commissions afterwards refunded	867.12	
		1,754.77
Total		$ 47,526.61

SUMMARY

Total Receipts	$494,318.46	
Less Payments	47,526.61	
Balance		$446,791.85
Represented by:—		
Bills Receivable on hand and with Trusts & Guarantee Co.	175,830.00	
Deposits in—		
Bank of Montreal	250,000.00	
Traders Bank	762.85	
Securities held	20,027.00	
Cash on hand	160.70	
Small items to be adjusted	11.30	
		$446,791.85

THE FARMERS BANK OF CANADA

BALANCE SHEETS AS OF NOVEMBER 26TH AND 27TH, 1906.

	Compiled from Data and Records of Provisional Directors.		Entries upon which Permanent Books were opened.	
Credits:—				
Trusts & Guarantee Co. Loan	$101,500.00			
Shareholders'				
Cash Payments $195,288.00				
Payments in Securities 20,027.00				
	215,315.00		$291.310.00	
Promissory Notes	175,830.00			
Interest	690.56		690.56	
Sundry Items	115.78			
		$493,451.34		292,000.56
Debits:—				
Organization and Other Expenses	$ 44,271.84		$ 32.127.71	
Trust & Guarantee Co. Bonus	1,500.00			
Furniture	327.65			
A. S. Lown	560.00			
Bank of Montreal	250,000.00		250,000.00	
Traders Bank	762.85		762.85	
Stocks and Bonds	20,027.00			
Cash on hand	160.70		9,110.00	
Bills Receivable	175,830.00			
Sundry Items	11.30			
		$493,451.34		$292,000.56

MEMORANDUM *RE* EFFECT OF DIFFERENCES IN STATEMENTS AS SHEWN FROM DATA AND BOOKS OF PROVISIONAL BOARD AND AS SHEWN BY PERMANENT BOOKS OF BANK, NOVEMBER 26TH, 1906.

Capital shewn as paid up in permanent books	$291,310.00	
Deduct "Spread" items as per list	75,995.00	
		215,315.00
Loan from Trusts & Guarantee Co. received		100,000.00
Interest		690.56
		$316,005.56
To represent which Bank had:—		
Cash in Bank of Montreal	250,000.00	
Cash in Traders Bank	762.85	
Cash on hand	110.00	
Stocks and Bonds	20,027.00	
		270,899.85
Leaving as having been expended		45,105.71
Permanent books shewed expenditures as only		32,127.71
The difference of		$12,978.00
being dropped or hidden, so to speak.		
To meet this expenditure and to provide funds Bank had borrowed from the Trusts & Guarantee Co.		$100,000.00
which it used to cover:—		
Spread payments on Stock	$75,995.00	
Cash to cover securities held and returned as cash	20,027.00	
Hidden excess expenditure	12,978.00	
		109,000.00
Amount being insufficient by		$9,000.00
There was carried as "Cash on hand" in the Permanent books, the following:—		
Cheque of A. Groves	$3,000.00	
Cheque of J. Gilchrist	3,000.00	
Obligation on W. Beattie Nesbitt	3,000.00	
		$9,000.00

no credit being given to any account for the same.

ACCOUNTING SHEWING METHOD OF ARRIVING AT AMOUNT RETURNED TO GOVERNMENT AS PAID UP ON STOCK AT TIME OF APPLICATION TO TREASURY BOARD.

Cash payments on account of capital stock		$167,695.00
Net	$167,436.71	
Discount	258.29	
Paid on account of notes		21,705.00
Securities sold—proceeds of		5,888.00
Securities on hand		20,027.00
Total		$215,315.00
Amount of borrowings 'spread' as payments on Stock—see list		75,995.00
Total		$291,310.00

THE FARMERS BANK OF CANADA.

Spread Notes.

T. Cox	$5,000.00	5000	
McDuffe, P. A.	1,500.00	1500	
Kennedy, W. N.	250.00	500	
Hamilton, A.	1,000.00	1000	
Shortreed, W.	1,000.00	1000	
Robinson, G.	1,000.00	1000	
Ford, D. F.	2,500.00	2500	
Bell, R.	1,000.00	1000	
Sinclair, G. W.	500.00	5000–1000	
McClure, S.	200.00	450– 500	
Harris, W.	500.00	500	
Witham, S. F.	200.00	2000	
Elliott, R. H.	500.00	500	
Laird, Geo.	500.00	1000	
McCallum, M.	100.00	200	
Elliott, T.	1,000.00	1000	
Aylwin, C. S.	500.00	1000	
Wilkinson, G. H.	50.00	100	
Menzie, Wm.	50.00	100	
Weir, Eliza	500.00	500	
Snelgrove, E. W.	1,000.00	1000	
Devean, A. M.	900.00	900	But not shewn in PD.Cash Book
Aitkin, T.	2,500.00	2500	
Thompson, G. H.	5,000.00	5000	
Howden, T.	50.00	500	
McLaughlin, J. C.	100.00	200	
Daniels, G.	200.00	500	
Cheyne, L.	100.00	500	
Scott, J. B.	100.00	500	
Matthews, A.	500.00	500	
Storey, A.	5,000.00	5000	
Beaty, W. T.	5,000.00	5000	
Kemp, D. C.	5,000.00	5000	
Bates, J. E.	5,000.00	5000	
Hunter, Wm.	2,500.00	2500	
Hunter, T.	2,500.00	2500	
McDuffe, P. A.	1,000.00	1000	
Pell, J.	1,000.00	1000	
Nesbitt, W. B.	3,000.00	....	
Honeywell, E. H.	2,500.00	....	
Carried Forward	$60,800.00		

Brought Forward	$60,800.00	
Denoon, G.	2,000.00	2000
Sproat, J.	1,000.00	....
Patterson, E.	25,00	....
Beatty, E. M.	20.00	....
Capmbell, A.	50.00	....
Hume, Robt.	100.00	1000
Dixon, W. A.	500.00	5000
McLeod, John	50.00	100
Sinclair, D.	200.00	500
Lindsay, W. J.	5,000.00	...
Cummins, A. C.	250.00	500
Gilchrist, J., Cheques $2,700.00 300.00 (Afterwards returned)	3,000.00	...
Groves, A., Cheque (Afterwards returned)	3,000.00	...
Total	$75,995.00	

THE FARMERS BANK OF CANADA.

STATEMENT COMPILED FROM BOOKS OF PROVISIONAL DIRECTORS, BOOKS AND DATA, AS ON DECEMBER 31ST, 1906.

1906.

Receipts—

Payments on Capital:—

Paid in cash		$179,156.01	
Paid on account of notes		21,705.00	
Paid in securities sold		5,888.00	
Discounts on cash payments		258.29	
			$207,007.30
Securities accepted in payment		25,915.00	
Less sold as above shewn		5,888.00	
			20,027.00
Promissory notes		198,210.00	
Less payments thereupon	$21,705.00		
Securities accepted	675.00	22,380.00	
			175,830.00
Interest			690.56
Sundry items			140.78
Trusts & Guarantee Co. Loan			101,500.00
			$505,195.64

Payments—

Organization and other expenses	64,373.19	
Furniture	327.65	
A. S. Lown	560.00	
Bank premises	2,498.60	
Trusts & Guarantee Co. bonus	1,500.00	
Union Bank of Canada	127,373.39	
Merchants National Bank	25,100.00	
Bills Receivable	175,830.00	
Legal	2,000.00	
Receiver General re Circulation	5,000.00	
Stocks and Bonds	20,027.00	
Paid Trusts & Guarantee Co	80,605.81	
		$505,195.64

THE FARMERS BANK OF CANADA

Statements as of December 31st, 1906

Credits	Compiled from Data and Books of Provisional Directors		As shown by Permanent Books of Bank		As shown by Return to Government	
Payments on Capital Stock:						
In Cash	$207,007.30					
In Securities	20,027.00					
		$227,034.30	300,240.00		$300,240.00	
Promissory Notes given on a/c Capital Stock		175,830.00				
Interest		690.56	690.56			
Sundry Items		140.78				
Trust & Guarantee Co.		20,894.19				
Premium on Stock			102.50			
Exchange			17.76			
		$424,589.83		$301,050.82		
Debits						
Organization and Other Expenses		$64,373.19	$51,097.71			
Trusts & Guarantee Co. Bonus		1,500.00				
Furniture		327.65				
A. S. Lown		560.00				
Bank Premises		2,498.60	2,498.60		$2,498.60	
Union Bank of Canada		127,373.39	127,884.59		127,884.59	
Merchants National Bank		25,100.00	25,100.00		25,100.00	
Bills Receivable		175,830.00				
Legals		2,000.00	2,000.00		2,000.00	
Receiver General re Circulation		5,000.00	5,000.00		5,000.00	
Stocks & Bonds		20,027.00			19,000.00	
Charges			1,113.41			
Trusts & Guarantee Co.			80,605.81		80,605.81	
Cash on hand			5,750.70		5,750.70	
		$424,589.83		$301,050.82		$267,839.70

MEMO

Cash paid in		$207,007.30	
Due Trusts & Guarantee Co		20,894.19	
			$227,901.49
Cash shown as paid in		300,240.00	
Less			
Cash on hand	$5,750.70		
Dep. Trusts & Guarantee Co	80,605.81		
Excess Union Bank	511.20		
		$86,867.71	
			$213,372.29
Difference Shortage			$14,529.20
Expenditures:	$64,373.19		
	1,500.00		
	327.65		
	560.00		
	$66,760.84		
Less	140.78		
		$66,620.06	
	$51,097.71		
	1,113.41		
	$52,211.12		
	120.26		
		$52,090.86	
			$14,529.20

ORGANIZATION EXPENSES TO NOVEMBER 26th, 1906, AS PER PROVISIONAL DIRECTORS' BOOKS AND DATA

Commissions			
Sundry		$2,336.00	
C. H. Smith		4,980.50	
W. R. Travers		15,590.00	
A. S. Lown		1,114.50	
			$24,021.00
Directors—fees and payments			11,760.40
Discounts			514.38
Stationery			349.38
Petty Cash			320.00
Law Costs			1,298.30
Travelling			1,057.82
Salaries			2,148.50
Exchange			56.75
Expense			2,745.31
Bonus Trusts & Guarantee Co			1,500.00
A. S. Lown			560.00
Furniture			327.65
			46,659.49
Less			
Sundry Items credits			115.78
Net amount			$46,543.71

Memo.			
Expenditure as above			$46,543.71
as shewn by permanent books			32,127.71
Difference			$14,416.00
Memo. shews dropped		$12,978.00	
Add Trusts & Guarantee Co. bonus		1,500.00	
		$14,478.00	
Less			
Carried as cash in permanent books	$50.70		
Differentials	11.30		
		$62.00	
			$14,416.00

ORGANIZATION EXPENSES AS SHEWN BY PERMANENT BOOKS

Provisional Directors' expenses			$32,127.71
Further payments to Provisional Directors			950.00
Legal Expenses			974.50
W. J. Lindsay			13,000.00
Trusts & Guarantee Co. advances			25,344.80
Sundry Commissions			775.00
W. R. Travers			18,800.00
Dr. Webster			50.00
			$92,022.01
Book Entries			
Stocks and Bonds		19,000.00	
Bank premises		10,000.00	
			29,000.00
Total			$121,022.01
Charged to—			
Bank premises		$15,000.00	
Milton Branch		370.00	
Profit and Loss		625.01	
		15,995.01	
Credits given for			
Securities taken in payment of Capital Stock, and sold		1,027.00	
R. E. Menzie stock subscriptions		20,000.00	
W. R. Travers promissory note		55,000.00	
		92,022.01	
Book entries			
Stocks and bonds—credit from	19,000.00		
Bank premises	10,000.00		
entries reversed..		29,000.00	
Total			$121,022.01

COMMISSIONS

1907				
Feb.	20	Dr. George Sutherland	$15.00	
Apr.	17	W. J. Lindsay	6,000.00	
May	28	George Richardson	300.00	
June	28	W. J. Lindsay	2,000.00	
Oct.	1	W. J. Lindsay	3,000.00	
Dec.	27	W. R. Travers	2,464.00	
"	31	Credited to premium on stock	345.00	
				14,124.00
1909				
Oct.	7	W. J. Lindsay	1,080.00	
				1,080.00
		Total		$15,204.00

SUMMARY

COMBINED ORGANIZATION EXPENSES

(Including Commission Account)

FOR BEFORE AND AFTER NOVEMBER 26TH, 1906.

Commissions paid—		
Sundry	$3,771.00	
C. H. Smith	4,980.00	
W. R. Travers	36,854.00	
A. S. Lown	1,114.50	
W. J. Lindsay	25,080.00	
		$71,800.09
Provisional Directors—payments made to them and for fees		12,710.40
Legal Expenses		2,272.80
Dr. Webster		50.00
A. S. Lown		560.00
Furniture		327.65
Bonus paid to Trusts & Guarantee Co		1,500.00
Travelling, Stationery and other expenses		7,076.36
Payment to Trusts & Guarantee Co	23,344.80	
Less Deficiency in amount of Provisional Directors' expenses as shewn by books	14,416.00	
	10,928.80	
of which Travers used to pay sum borrowed personally to repay Laidlaw clients	2,380.00	
		$2,380.00
Disposition of balance of	8,548.80	8,548.80
Total		$107,226.01

This amount was disposed of in this manner—

Charged to Bank premises	$15,000.00	
Charged to Milton Branch	370.00	
Charged to Profit and Loss	625.01	
Securities taken in payment of Capital Stock and sold for were credited to the account.	1,027.00	
R. E. Menzie, stock subscription of for which he had given notes, was credited to the account, the note ($40,000.00 covering also Devean transaction) being charged to Special Suspense Account and then to Keeley Mine Stocks & Bonds Account.	20,000.00	
A note from W. R. Travers for was credited to the account—the same being afterwards liquidated by charge of $45,000.00 against Special Suspense Account (whence it was charged to Keeley Mine Stocks and Bonds) and the balance of $10,000.00 to Bank premises.	55,000.00	
Commission Account	15,204.00	
		$107,226.01
Outlays	$107,226.01	
Less Travers' appropriations	10,928.80	
Total	$96,297.21	

PREMIUM ON STOCK

Charged to Profit & Loss:—		
December 31st, 1907	$7,739.40	
December 31st, 1908	5,024.10	
December 31st, 1909	2,172.00	
Total		$14,935.50
Less:—		
Charged to Suspense Account		1,380.00
Net Credit		$13,555.50

CIRCULATION

Amount printed	$825,000.00	
On hand at time of failure	286,635.00	
		538,360.00
Since redeemed		132,915.00
Balance		$405,450.00

LIABILITIES

Trusts & Guarantee Co		$2,181.72	
Special Accounts—Banks.			
Commerce	$ 229.33		
Molsons	583.32		
Toronto	955.31		
Merchants	1,263.41		
Standard	2,127.50		
D'Hochelaga	36.97		
British North America	502.33		
Eastern Townships	11.08		
Hamilton	443.55		
Home	29.81		
Imperial	487.50		
Nova Scotia	499.98		
Ottawa	56.26		
Quebec	74.96		
Sterling	1,324.92		
United Empire	468.33		
Vancouver	301.57		
Montreal	2,080.91		
Union	744.14		
Northern Crown	207.49		
Nationale	9.90		
		12,438.57	
Current Accounts		147,279.32	
Savings Accounts		979,894.83	
Drafts issued	28,753.87		
Less Special Accounts	11,195.03		
		17,558.84	
Total			$1,159,353.28
Ontario Government	$26,533.16		

SPECIAL ASSETS AND COLLECTIONS

Special Suspense Account:—		
Circulation in safe	$2,500.00	
Sundries	62.35	
		$2,562.35
Double Liability		2,835.84
Belleville Rent		675.00
Trenton Rent		375.00
R. J. Robins, settlement		1,000.00
J. S. Saunders "		3,928.97
J. R. Stratton. "		500.00
F. Crompton "		869.02
F. Crompton, re Keeley Mine		10,000.00
W. Waddell, Special Account		553.39
Total		23,299.57

OPERATING LOSSES

	Cost	Profits	Losses
1907	$61,765.93	$15,748.34	$46,017.59
1908	83,107.42	32,272.99	50,834.43
1909	100,558.31	37,014.47	63,543.84
1910—To October 15th, 1910	73,916.94	21,048.39	52,868.55
To December 19th, 1910	.....	.....	24,829.64
Unpaid December 19th, 1910	.....	.....	5,088.91
Total			$243,182.96

Losses as above		$243,182.96
Less Excess Interest Charge to Branches in Suspense Account	5,476.30	
	4,896.19	
		580.11
Net Amount		$242,602.87

OPERATING COST 1907

1907:—		
Branch Losses	$46,017.59	
Commissions	14,024.00	
Organization	625.01	
		$60,666.60
Less		
Premiums on Stock		7,739.40
Balance		$52,927.20
Charged to:—		
Safes written up and charged to Branches	8,288.00	
Stationery charged to Branches but not written off account	11,200.00	
Suspense Account	55,529.19	
		75,017.19
Balance carried forward at a profit remaining		$22,089.99

1908

Dr. OPERATING COSTS, 1908

Branch losses		50,834.43	
Dividends declared		19,344.00	
Credited to Suspense Account		5,406.30	
Credited to Special Account		1,469.27	
Paid *re* J. Tevis		500.00	
Detectives		60.00	
			$77,614.00

Cr.

Interest charged to Continental Securities Co		$24,294.27	
Charged Keeley Mine	25,000.00		
	15,000.00		
		40,000.00	
Charged 'Tamlin' account		10,000.00	
Credit from J. Tevis payment		5,000.00	
Premium received on Capital Stock		5,024.10	
			84,318.37
			6,704.37
Add balance carried forward from 1907			22,089.99
Balance forward			28,794.36

1909

Dr. OPERATING COSTS, 1909

Branch losses	$63,543.84	
Commissions	1,080.00	
Dividends declared	22,410.00	
		$87,033.84

Cr.

Charged against		
Keeley Mine Stocks and Bonds	32,500.00	
	4,500.00	
	20,110.85	
	36,618.35	
	93,729.20	
McCallum, cheque from Surety Co	5,000.00	
W. R. Travers—Call Loan	4,530.00	
Black Lake Asbestos	2,472.50	
Premiums on Stock	2,172.00	
		$107,903.70
Balance—Credit		20,869.86
Forward from 1908		28,794.36
Forward to 1910		$49,664.22

1910 OPERATING COSTS, 1910

To October 15th, 1910

Branch losses	$52,868.55	
Trusts & Guarantee Co. Interest	2,199.00	
Black Lake bonds	1,845.00	
Dividends paid	11,324.00	
		$68,236.55
Charged to—		
Keeley Mines	22,053.45	
	15,000.00	
	8,973.85	
	5,000.00	
	19,224.85	
		$70,252.15
Excess credit		2,015.60
Forward from 1909		49,664.22
Forward		$51,679.82

1910 OPERATING COSTS, 1910

From October 15th to December 19th, 1910

Branch expenses	$9,960.86	
H. O. Branches	5,670.44	
Interest reservations	9,198.34	
	24,829.64	
Trusts & Guarantee Co. Interest	1,075.25	
		$25,904.89
Charged to—		
Ontario Leather Co	2,250.00	
Keeley Mines	11,389.55	
		13,639.55
		12,265.34
Forward from October 15th, 1910		51.679.82
Balance		$39,414.48

BRANCH AND INTEREST OUTLAYS.

OCTOBER 31ST TO DECEMBER 19TH, 1910.

	Dr.	Cr.	Balance		Interest reserved to October 31, 1910
			Dr.	Cr.	
Toronto	$5,404.88	$5,350.20	54.68		$2,104.34
Allenford	372.17	98.97	273.20		166.14
Arkona	480.45	139.52			313.54
Athens	520.35	19.20			166.39
Belleville	681.07	376.15			57.65
Bethany	480.39	97.97			413.31
Burgessville	396.95	61.02			249.84
Camden East	452.56	31.48			507.21
Cheltenham	296.72	83.99			289.36
Dashwood	767.73	591.98			783.57
Dunsford	230.91	45.98			213.36
Fingal	364.32	48.77			277.34
Haileybury	830.06	87.11			80.92
Kerwood	431.69	136.41			412.50
Kinmount	391.69	98.46			224.97
Lakeside	419.82	63.97			229.98
Lindsay	1,219.49	133.60			227.99
Millbank	550.90	160.10			389.29
Milton	778.51	118.90			285.43
Norval	410.13	50.92			319.36
Philipsville	397.93	58.48			269.19
Pontypool	464.89	95.14			354.24
Sharbot Lake	714.13	251.61			320.00
Stouffville	820.43	533.75			394.33
Williamstown	465.31	56.34			153.53
Zephyr	438.92	101.99			800.53
Embro	509.63	395.01			347.45
	$19,292.03	$9,286.02			$9,801.76
	9,286.02		Interest allowance to Dec. 19, 1910		19,000.00
	10,006.01				
Less H. O. Interest	45.15				
	9,960.85				9,198.34
H. O. Charges	4,225.26				
	9,198.34				
Total	$23,384.46				

SUMMARY

			Affective Items.	
Dr.				
Excess expenditures in operating	$243,182.96		$243,182.96	
Commissions	15,104.00		15,104.00	
Credited to Organization Account	625.01		.....	
Dividends	53,078.00		53,078.00	
Credited to Suspense Account	5,406.30		.....	
Credited to Special Account	1,469.27		.....	
Detectives	60.00		60.00	
Trusts & Guarantee Co., Interest	3,274.25		3,274.25	
		322,199.79		314,699.21
Cr.				
Premiums received on stock	14,935.50		14,935.50	
Safes—written up in value	8,288.00		.....	
Stationery charged Branches but not written off	11,200.00		.....	
Charged Suspense Account	55,529.19		.....	
Interest charged Continental Securities Co	24,294.27			
Charged Keeley Mine:—				
re Beattie Nesbitt	5,000.00		.....	
re General Interest	92,000.00		.....	
re Time Interest	112,207.90		.....	
Charged Tamlin Account	10,000.00		.....	
Credit from Tevis Loan	4,500.00		4,500.00	
*McCallum defalcation—Surety Co. Cheque	5,000.00		.....	
Call Loan—W. R. Travers	4,530.06			
Profit on Black Lake Asbestos Bonds	627.50		627.50	
Charged Ontario Leather Co	2,250.00	356,525.36	.....	20,063.00
Balance		$34,325.57		$294,636.21
Balance		$34,325.57		
Entries after Oct. 15, 1910		12,265.34		
Preferred claims		5,088.91		
Ledger valuation, October 15th, 1910		51,679.82		

*This loss of $40,000.00 was charged Keeley Mine Stocks and Bonds Account and credit should go against it.

Operating Losses		$243,182.96
Add:—		
Keeley Interest charged to Current Account.		
Surplus interest charged Branches *re* Capital Account	5,476.30	
Less:—		
Surplus credit to Capital in Suspense Account	4,896.19	
		550.11
Total		$242,602.87

BANK NOTE ACCOUNT

December 5, 1907	Geo. B. Burland—applied on capital	$5,055.00
July 21, 1908	Paid through Toronto—Bank Note Ptg. Co.	562.50
December 28, 1908	" " " "	815.00
July 10, 1909	" " " "	1,125.00
		$7,557.50
November 10, 1908	Charged to Suspense Account	$4,000.00

STATIONERY

1907	Expenditures	$13,807.75	
1908	"	9,024.39	
1909	"	5,274.68	
1910	"	3,671.30	
			$31,778.12
	Deduct		110,50
			$31,668.62

Credits:—

May 28, 1907	Tin boxes	$64.00
June 20, 1907	Bags for Branches	25.00
October 11, 1907	Kinmount	600.00
November 9, 1907	Grand & Toy credit note	7.75
July 8, 1908	Dashwood	6.25
December 21, 1908	Belleville	7.50
		$710.50

DEFALCATIONS AND WITHDRAWALS

McCallum & Tamlin:—

Written off to Keeley Mine	$40,000.00	
A. McIntyre note	10,253.00	
Tamlin note	1,011.00	
Charged Toronto Branch	2,138.00	
	53,402.00	
Less:—		
Surety Co. cheque—credited to Profit and Loss	5,000.00	
		$48,402.00
W. R. Travers:—		
Toronto office overdraft	6,129.00	
Appropriations re—		
Continental Securities Co	21,675.00	
Organization Expense	10,929.00	
Fixtures and Furniture Account	3,000.00	
Keeley Mine	125,000.00	
	$166,733.00	
Less:—		
Cash recoveries	45,750.00	
Further recoveries expected	32,000.00	
	77,750.00	
		$88,983.00
Dividend Account:—		
Appropriations not justified	2,008.00	
Less Unpaid dividends	280.00	
		$1,728.00
W. Beattie Nesbitt:—		
Charged to Keeley Mine Stocks and Bonds		$5,000.00
Toronto Office:—		
August 3rd, 1910—No particulars		$5,000.00
Total		$149,113.00

DIVIDENDS PAID

	Amount	Unpaid	Net.
Dividend No. 1, September 1, 1908, 2%.....	$8,400.00	20.00	8,380.00
Dividend No. 2, December 31, 1908, 2%.....	10,924.00	32.00	10,892.00
Dividend No. 3, June 30, 1909, 2%.....	11,102.00	58.00	11,044.00
Dividend No. 4, December 31, 1909, 2%.....	11,308.00	52.00	11,256.00
Dividend No. 5, June 30, 1910, 2%.....	11,324.00	116.00	11,208.00
Total.....	$53,058.00	$278.00	$52,780.00

Dividends paid upon basis of Capital Stock payments as shown in Ledger, being as follows:—

September 1, 1908...	$420,000.00	Ledger shows	$481,084.00	Difference	$61,084.00
December 31, 1908 ..	546,200.00	"	555,254.00	"	9,054.00
June 30, 1909.....	555,100.00	"	564,806.00	"	9,706.00
December 31, 1909...	565,400.00	"	567,357.00	"	1,957.00
June 30, 1910.....	566,200.00	"	567,599.00	"	1,399.00
				Total.....	$93,200.00

Inasmuch as Ledger shows payments made during 5 periods, on $41,-500.00 stock not paid for or in all.....	$207,500.00	
which dividends were withheld on only.....	93,200.00	
it is apparent that they were paid improperly, or misused on..	$114,300.00	
At 2% -	$2,286.00	
Less unpaid.....	278.00	
Net Deficiency.....	$2,003.00	
Total amount charged.....		$53,058.00
Less Unpaid.....	$278.00	
Appropriated.....	2,008.00	
		2,286.00
Net Charged..		$50,772.00

BRANCH PREMISES AND FURNITURE ACCOUNT.

Rented Premises	Furn. Book Cost	Premises Book Cost	Total	Realization.	
				Cash Received	Unsold or unpaid for
Arkona	1,051.90	334.16	1,386.06	300.00	100.00 Safe
Allenford (including Southampton)	2,738.25	191.06	2,929.31	130.00	.....
Athens	945.21	19.50	964.71	400.00	.....
Bethany	3,031.01	1,164.07	4,195.08	277.80	.....
Brucefield	1,142.32	.....	1,142.32	70.22	.....
Burgessville	2,243.12	258.55	2,501.67	700.00	.....
Camden East	2,177.40	62.00	2,239.40	600.00	.....
Cheltenham	2,144.95	274.75	2,419.70	235.00	.....
Dashwood	1,136.28	495.00	1,631.28	610.00	.....
Embro	1,102.50	53.30	1,155.90	365.15	.....
Fingal	1,664.00	28.59	1,672.59	205.90	.....
Haileybury	1,187.22	50.00	1,237.22	88.90	200.00 2 safes and furniture
Kerwood	2,866.27	622.92	3,489.19	650.00	.....
Lakeside	275.64	.....	275.64	.....	325.00
Lindsay (including Nestleton, Dunsford and Kinmount)	4,290.28	3,533.07	7,823.35	1,642.27	.....
Millbank	1,055.00	.....	1,055.00	525.00	800.00
Philipsville	1,022.57	90.00	1,092.57	221.00	.....
Pontypool	1,422.24	139.85	1,562.09	177.83	.....
Springbrook	669.61	253.78	923.39	.....	Cleaned up before failure
Stouffville	2,881.94	35.90	2,917.84	211.15	.....
Toronto & H. O.	25,456.58	13,431.38	38,888.50	.....	2500.00 Rough valuation.
Williamstown	2,846.07	.....	2,846.07	350.00	.....
Zephyr	2,799.01	64.45	2,863.46	190.62	.....
Totals	$66,109.37	$21,102.87	$87,212.24	$7,950.80	3,925.00
Premises Owned					
Belleville	4,632.01	23,503.65	28,135.66	.....	12,900.00
Milton	3,790.30	7,063.25	10,853.55	4,275.50	.....
Norval	2,821.84	6,549.27	9,371.11	191.75	3,000.00
Sharbot Lake	1,081.94	2,883.33	3,965.27	40.00	2,000.00
Trenton	3,831.68	14,735.39	18,567.07	4,500.00	.....
Totals	$16,157.77	$54,734.89	$70,892.66	$9,007.25	$17,900.00

MEMO RE ITEMS CONTAINED IN ACCOUNT.

Charged thereto:—

Jan. 7, 1907,	Cheque to	W. R. Travers	$ 3,000.00	
" 12, 1907	"	John Patterson	500.00	$3,500.00

Book Entries:— Dr.

Feb. 28, 1907	Credited to	Organization Account	$10,000.00	
" 28, 1907	"	Organization Account	5,000.00	
June 17, 1907	"	Toronto Branch	10.000.00	
" 19, 1907	"	Suspense Account writing up Belleville premises	5,000.00	
" 22, 1907,	"	Profit and Loss—writing up in value of safes bought for Bank	8,288.00	
" 26, 1907,	"	Profit and Loss—writing up for stationery supplied Branches	11,200.00	
Mar. 27, 1908,	"	Suspense Account writing up Stationery	6,000.00	$55,488.00

Items credited to account:— Cr.

Oct. 10, 1907,	Charged to	Rabbit Mountain Mining Co	4,000.00	
Aug. 12, 1908,	"	Keeley Mine	15,000.00	
Sept. 30, 1908,	"	Keeley Mine	25,000.00	
Dec. 15, 1908,	"	Suspense Account	5,000.00	49,000.00
		Extra debit		$6,488.00

SUMMARY

Book Cost of rented premises and fixtures therein			$87,212.24
Book Cost of owned premises and fixtures therein			70,892.66
			$158,104.90
Covering:—			
Payment to Travers		3,000.00	
Payment to Patterson		500.00	
Excess debits as above		6,488.00	
Expenditures on Premises, Furniture and Fixtures		148,116.90	$158,104.90
Total expenditure on premises, fixtures and furniture			$148,116.90
Realized thereon to date:—			
Rented premises:—			
Paid for	$7,950.80		
Unsold or unpaid for	3,925.00	$11,875.80	
Premises Owned:—			
Paid for	$9,007.25		
Unsold or unpaid for	17,900.00	$26,907.25	
		$38,783.05	
Deduct:—			
Costs of Inventories, freight, sale, etc		1,491.96	37,291.09
Estimated loss on item			$110,825.81
Loss			$110,825.81
Valuation, October 27th, 1911		$23,850.00	
Valuation this statement		21,825.00	2,025.00
Estimated loss, October 27th, 1911			$108,800.81

BAD DEBTS AND LOSSES ON STOCKS AND BONDS.

In arriving at the amount of the bad debts of the Bank, investments shown in the Head Office books under the heading of "Stocks and Bonds" and being Buckingham Graphite Bonds $30,000 and Ontario Leather Company Bonds $75,000, are not treated as bonds held but as debts owed. The obligations of these companies to the Bank were excessive—the bonds cannot be looked upon as any other than securities taken in connection with bad debts. The Bank owned the Ontario Leather Company practically outright and stands to lose over $100,000 in connection therewith. The obligation of the Buckingham Graphite Company is so great that it is doubtful whether a recovery equal to the face amount of the bonds will be made from it.

BAD DEBTS AND LOSSES ON STOCKS AND BONDS

Toronto list of outstandings		$800,284.00
Add:—		
Clark Mfg. Co. Account charged to Keeley Mine Stocks and Bonds		55,000.00
		$855,284.00
Deduct:—		
McIntyre Account See Defalcations—Tamlin.	$10,253.00	
Tamlin See defalcations—Tamlin.	1,011.00	
Chapman See Continental Securities, transactions and defalcations	20,440.00	
C. H. Smith, in Trust See Capital Stock purchased.	1,273.00	
	$32,977.00	
Valuation of Toronto Accounts	182,900.00	215,877.00
Toronto losses		$639,407.00
Branch bad debts		11,965.00
Losses on Stocks and Bonds		2,193.00
Total		$653,565.00

LOSS ON STOCKS AND BONDS

Dominion Radiator Co. Stock:—		
47 shares charged at	$6,258.30	
Now valued at	5,750.00	508.30
Chambers Ferland Stock:—		
Valued at	4,705.49	
Sold for	2,393.11	2,312.38
		$2,820.68
Less:—		
Profit on Black Lake Asbestos Bonds put in Suspense Account		627.50
Loss		$2,193.18

THE KEELEY MINE, LIMITED.

The Keeley Mine account divides itself into two parts,—Direct Cash Advances and Amounts charged against the Stock & Bond Account of the Mine. The Advance Account had its inception in advances made in 1908 to the Keeley, Jowsey, Wood Mine, when the Directors of the Bank, having authorized a small advance, Travers changed the Minutes so as to indicate that he had the right to advance at will. In connection with this change he pleaded guilty and was sentenced for forgery.

The statement following shows the advances made by the Bank to the Mine, the net amount of which, exclusive of interest, aggregtes $442,679. If "time" interest be added to this amount it will be increased by $73,370, making a total of $516,049.95. It is a question if the interest charges are correct in that they appear to be excessive.

The Keeley Mine Stocks & Bond Account was written up to cover all kinds of losses, expenses and defalcations, and outside of $15,000 paid in purchase of Capital Stock ($10,000 of which has since been refunded to the Bank), and $60,000 charged to the Account in connection with the liability of W. Beattie Nesbitt (in liquidation of which his stock in the Keeley Mine was taken) there are no other bona fide entries. The Bank has not admitted and does not admit the validity of the transaction with W. Beattie Nesbitt, and if it be correct in its contention it is a fact that of the $535,000 charged to the Account, but $15,000 (of which $10,000 has since been refunded) represents bona fide charges.

KEELEY MINE.

Advances by Bank

To Keeley, Jowsey Wood Mine Ltd:—

May 29, 1908,	$25,000.00	
May 30, 1908,	25,000.00	
Aug. 15, 1908,	50,000.00	
Overdrawn Account to Dec. 17, 1908, with interest	61,374.31	
		$161,374.31

To Keeley Mine Ltd:—

Dec. 14, 1908, Call loan, H. O.	$350,000.00	
Less K. J. W. debt assumed	161,374.31	
		188,625.69
Oct. 9, 1909, Call Loan, H. O.	100,000.00	
Less cheque to W. R. T.	15,000.00	
		85,000.00
Jan. 6, 1910, Fresh advance in re construction of loans		28,270.80
Feb. 18, 1910, Demand Loan, T. B.		5,000.00
Mar. 3, 1910, " "	5,500.00	
	5,000.00	
		500.00
Mar. 22, 1910, " "		15,000.00
May 7, 1910, " "		5,000.00
July 8, 1910, " "		5,000.00
Sept. 2, 1910, " " renewal, March 22, 1910.		
Oct. 11, 1910, " "		15,000.00
Nov. 1, 1910, " "	10,000.00	
Less May 7th	5,000.00	
		5,000.00
Dec. 8, 1910, Demand Loan, T. B.		10,000.00
		$362,396.49

Less:—

Interest paid out of Toronto Current Account—			
Jan. 19, 1910	5,300.00		
Mar. 3, 1910	863.00		
	6,163.00		
Credit to Account, Toronto Branch	6,255.26		
Haileybury Branch	1,258.08		
E. W. Travers Trust Account	207.51		
		13,883.85	
			384,512.64
Direct Cash Advances			$509,886.95

Interest Charges:—

Sept. 30, 1909,		$20,110.85	
Dec. 31, 1909,	$30,000.00		
Dec. 31, 1909,		6,618.35	
Jan. 19, 1910,		863.00	
Mar, 3, 1910,		5,300.00	
Mar. 31, 1910,		3,061.85	
Mar. 31, 1910,	10,000.00		
May 31, 1910.		6,008.00	
June 30, 1910		2,965.85	
July 31, 1910,		3,061.85	
Aug. 31, 1910,		3 124.60	
Sept. 30, 1910,		3,042.00	
Sept. 30, 1910,		12,825.00	
Oct.. 29, 1910,		3,237.70	
Nov. 30, 1910,		3,151.85	
Nov. 30, 1910,	5,000.00		
		45,000.00	118,370.90

Charged to Current Account	6,163.00
Charged to Keeley Mine and Sundries	112,207.90

Appropriations of W. R. Travers:—

Mar. 18, 1909,	25,000.00		
June 9, 1909,	25,000.00		
(Paid out of Loan, January 6th, 1910.)			
Oct. 6, 1909,		15,000.00	
Jan, 18, 1910,		40,000.00	
Nov. 3, 1910,		20.000,00	
			125,000.00
Paid to W. Beattie Nesbitt, December 14, 1908			5,000.00
Total			$758,527.85

Represented on books of bank by:—

Call Loans	300,000.00	
Current Loans	250,978.70	
Interest—charged to Keeley Mine Stocks and Bonds	45,000.00	
Withdrawals—W. R. T. charged to Keeley Mine S. & B.	90,000.00	
W. Beattie Nesbitt Loan, charged P. & L. and from there to Keeley Mine Stocks and Bonds	5,000.00	
Keeley Mine Notes on hand in T. B.	75,000.00	
	$765,978.70	

Less:—

To credit of Company in sundry accounts	7,720.85	
		$758,257.85

KEELEY MINE STOCKS AND BONDS ACCOUNT

Amount of Account as per H. O. Ledger			$535,000.00
Covering:—			
Money appropriated by W. R. Travers:—			
Feb. 28, 1910	$50,000.00		
Mar. 3, 1910	40,000.00		
		$90,000.00	
Bank Premises Account written down:—			
Aug. 12, 1908	15,000.00		
Sept. 30, 1908	25,000.00		
		40,000.00	
McCallum defalcation:—			
(Recovery of $5,000.00 credited P. & L.)			
W. Beattie Nesbitt:—			
Mar. 23, 1910 (For stock and to cover obligation Clark Mfg. Co.)	60,000.00		
April 30, 1910 (Charged P. & L. and now Keeley Mine)	5,000.00	65,000.00	
Rabbit Mountain Mining Co.:—			
Aug. 12, 1908	10,000.00		
May 17, 1909	500.00		
		10,500.00	
Profit and Loss:—			
Sept. 30, 1909	25,000.00		
Dec. 31, 1909	15,000.00		
June 30, 1910	32,500.00		
Oct. 11, 1910	4,500.00		
Apr. 30, 1910, See W. B. N. $5,000.00			
July 30, 1910	15,000.00		
		92,000.00	
Suspense Account:—			
Oct. 31, 1908		25,000.00	
Special Suspense Account:—			
Nov. 14, 1908		107,500.00	
Interest—General:—			
Dec. 31, 1909	30,000.00		
Mar. 31, 1910	10,000.00		
Nov. 30, 1910	5,000.00		
		45,000.00	
Purchase Keeley Mine Stock:—			
April 1, 1910, F. Crompton	10,000.00		
April 6, 1910, F. C. Whitney	5,000.00		
		15,000.00	
Toronto Office:—			
Aug. 3, 1910, No particulars		5,000.00	
			$535,000.00

MEMO

Advances		$161,374.31	
		362,396.49	
			$523,770.80
Deduct:—			
Credits in accounts		7,720.85	
Time Interest	$118,370.90		
	45,000.00		
		73,370.90	
			81,091.75
Cash advances exclusive of interest			$442,679.05
Purchases of Capital Stock:—			
F. Crompton		10,000.00	
F. C. Whitney		5,000.00	
			$15,000.00

INTEREST AND SUNDRY ITEMS

Charged to Profit & Loss Account:—		
Detectives Account	$ 60.00	
Trusts & Guarantee Co. interest	3,274.25	
Charged to Suspense Account:—		
Law Costs	45.00	
Law Costs	591.00	
		$3,970.25

RETURN OF THE LIABILITIES AND ASSETS OF THE FARMERS BANK OF CANADA

ON THE NINETEENTH DAY OF DECEMBER, A.D. 1906.

Capital Authorized	$1,000,000.00
Capital Subscribed	584,500.00
Capital Paid Up	567,579.00

LIABILITIES

A	Notes in circulation	$538,185.00
B	Balances due to Provincial Government	26,533.16
C	Deposits by the public payable on demand, in Canada	229,495.11
D	Deposits by the public, payable after notice or on a fixed day, in Canada, including interest to November 30th, 1910	992,599.26
E	Loans from other banks in Canada, secured, including bills rediscounted	844.16
F	Trusts & Guarantee Co	211,777.08
G	Unclaimed Dividends	280.00
H	Premium on Stock	48.00
I	Cash over and items in transit	258.11
J	Profit & Loss Account	34,911.23
K	Capital	567,579.00
		$2,602,519.11

ASSETS

L	Specie	$ 7,270.71
M	Dominion Notes	10,033.50
N	Deposits with Dominion Government for security of note circulation	20,250.00
O	Notes of and cheques on other banks	54,798.80
P	Deposits made with, and balances due from, other banks in Canada	11,324.50
Q	Balances due from agencies of the bank, or from other banks or agencies, in the United Kingdom	8,611.58
R	Balances due from agencies of the bank, or from other banks or agencies, elsewhere than in Canada and the United Kingdom	5,030.89
S	Cash Items	46,286.31
T	Railways, and other Bonds, Debentures and Stocks	113,895.00
U	Call and Short Loans on Stocks and Bonds, in Canada	89,131.30
V	Current Loans in Canada	896,375.99
W	Deposits	500.00
X	Stationery	5,000.00
Y	Cughan shortage	646.57
Z	Overdue Debts	68,551.46
Za	Bank Premises	178,604.90
Zb	Keeley Mine, Limited	1,085,978.70
		$2,602,519.11

TRIAL BALANCE, DECEMBER 19TH, 1910

DR.

Particulars	Amount	Total
Receiver General		$ 20,250.00
Bank Note Printing Co		3,557.50
Insurance and Postage		60.65
Stocks and Bonds		650,976.87
Call Loans		300,000.00
Current Loans		267,778.70
Stationery		31,067.62
Petty Cash		50.00
Guar. Premiums		1,285.71
Past due Bills		2,626.42
Toronto	335,897.50	
Embro	1,323.11	
Milton	63,918.08	
Sharbot Lake	3,766.15	
		404,904.84
Bank Premises		75,837.76
Furniture and Fixtures		82,267.14
Charges		4,225.26
		$1,844,888.47

CR.

Capital		$567,579.00
Premium		48.00
Circulation		825,000.00
Dividend No. 1	$20.00	
" No. 2	32.00	
" No. 3	58.00	
" No. 4	52.00	
" No. 5	118.00	
		280.00
Trusts & Guarantee Co		224,075.00
Interest		12,613.45
Profit & Loss		51,679.82
Allenford	17,898.97	
Arkona	6,019.40	
Athens	3,376.67	
Belleville	23,461.74	
Bethany	8,894.28	
Burgessville	7,037.55	
Camden East	13,672.35	
Cheltenham	403.43	
Dashwood	10,321.76	
Dunsford	954.78	
Fingal	5,102.12	
Haileybury	6,229.04	
Kerwood	6,964.67	
Kinmount	981.89	
Lakeside	4,433.57	
Lindsay	21,143.62	
Millbank	6,155.03	
Norval	2,412.73	
Philipsville	5,670.08	
Pontypool	7,629.35	
Stouffville	1,393.38	
Williamstown	2,166.28	
Zephyr	1,290.51	
		163,613.20
		$1,844,888.47

"A" FARMERS BANK BILLS OUTSTANDING AS ON DECEMBER 19th, 1911.

Total amount of notes printed		$825,000.00
Notes in hands of Bank on December 19th, 1911:—		
Toronto	$224,190.00	
Allenford	4,120.00	
Arkona	1,600.00	
Athens	900.00	
Belleville	300.00	
Bethany	3,255.00	
Burgessville	3,255.00	
Camden East	2,745.00	
Cheltenham	2,420.00	
Dashwood	7,720.00	
Dunsford	2,145.00	
Embro	1,425.00	
Fingal	1,170.00	
Haileybury	200.00	
Kerwood	3,230.00	
Kinmount	15.00	
Lakeside	575.00	
Lindsay	4,900.00	
Millbank	6,785.00	
Milton	1,135.00	
Norval	4,190.00	
Philipsville	2,360.00	
Pontypool	3,105.00	
Sharbot Lake	2,985.00	
Stouffville	35.00	
Williamstown	1,190.00	
Zephyr	865.00	
		286,815.00
Balance outstanding		$538,185.00

Deposited in Special Deposit Box in National Trust Company.

"B" BALANCES DUE PROVINCIAL GOVERNMENT AS ON DECEMBER 19th, 1911.

Ontario Government	$26,533.10

"C" DEPOSITS PAYABLE ON DEMAND AS ON DECEMBER 19TH, 1910.

Toronto	$36,790.06
Allenford	2,222.86
Arkona	5,915.72
Athens	3,104.51
Belleville	8,914.23
Bethany	3,048.09
Burgessville	6,797.36
Camden East	18,807.46
Cheltenham	1,685.30
Dashwood	6,666.67
Dunsford	1,692.67
Embro	33,150.65
Fingal	2,146.38
Haileybury	10,388.71
Kerwood	10,494.26
Kinmount	3,253.51
Lakeside	1,376.68
Lindsay	6,611.01
Millbank	19,255.27
Milton	1,579.70
Norval	6,382.47
Phillipsville	6,192.82
Pontypool	1,653.08
Sharbot Lake	5,878.03
Stouffville	2,876.22
Williamstown	6,382.52
Zephyr	16,228.87
Total	$229,495.11

Memo.:—This includes drafts outstanding and certified cheques.

"D"

SAVINGS BANK ACCOUNTS AS ON DECEMBER 19TH, 1911.

Toronto	$14,341.58	
Allenford	23,696.46	
Arkona	37,684.08	
Athens	16,688.58	
Belleville	27,138.95	
Bethany	52,707.46	
Burgessville	35,225.96	
Camden East	54,008.92	
Cheltenham	35,204.75	
Dashwood	107,138.71	
Dunsford	33,082.94	
Embro	41,823.16	
Fingal	31,670.83	
Haileybury	13,166.19	
Kerwood	57,821.41	
Kinmount	30,873.84	
Lakeside	31,075.90	
Lindsay	31,793.15	
Millbank	47,764.63	
Milton	29,167.98	
Norval	33,066.65	
Phillipsville	31,750.00	
Pontypool	46,693.54	
Sharbot Lake	47,239.74	
Stouffville	22,251.99	
Williamstown	19,701.19	
Zephyr	39,821.54	
Total		$992,599.26

Memo.:—The Branch balances of December 19th and above do not include interest up to December 19th—it was included in balances of December 31st, 1910.

"E"

LOANS FROM OTHER BANKS AS ON DECEMBER 19TH, 1910.

Toronto:—		
Standard Bank	$383.54	
Lindsay:—		
Standard Bank	74.22	
Belleville:—		
Standard Bank	345.24	
Bank of Commerce	41.16	
Total		$844.16

"F"

TRUSTS AND GUARANTEE COMPANY AS ON DECEMBER 19TH, 1910.

Due to Company as per Ledger	224,075.00	
Less—Deposit Account	12,297.92	
Balance		$211,777.08

Subject to credits on collections n ot reported and subject to interest additions.

"G"

UNCLAIMED DIVIDENDS AS ON DECEMBER 19TH, 1910.

Dividend No. 1:—

Armstrong, R. W.	Bracebridge	$2.00	
Cunningham, Mrs. Lizzie	Hornby	6.00	
Gow, Peter	Wallacetown	2.00	
Gowan, Charles W.	Ballymote	2.00	
Haines, Chas.	Cheltenham	2.00	
Kirkpatrick, Miss A. J.	Orillia	2.00	
McCallum, Malcolm	Ashgrove	4.00	
			$20.00

Dividend No. 2:—

Arkell, Estate of Peter	Teeswater	2.00	
Gow, Peter	Wallacetown	2.00	
Gowan, Chas. W.	Ballymote	2.00	
Gregg, J. W.	Claremont	2.00	
McCallum, Dugald	Adrian, Mich.	6.00	
Ruttle, John W.	Udora	2.00	
Summers, Mrs. Jane	Corinth	2.00	
Taber, Robt. T.	Athens	2.00	
Wartelsky, H. B.	Verona	8.00	
Wilson, Wm. & Hugh	Rothsay	4.00	
			$32.00

Dividend No. 3:—

Ainsley, Mrs. Mary J.	Drumbo	4.00	
Cleland, Wm.	Zephyr	2.00	
Gow, Peter	Wallacetown	2.00	
Gowan, Chas. W.	Ballymote	2.00	
Haines, Chas.	Cheltenham	2.00	
Horne, Thos	Ash	2.00	
Hunter, John D.	Dunsford	2.00	
Lyons, Albert	Cheltenham	2.00	
Marsh, Louis	Belleville	4.00	
McCallum, Dugald	Adrian, Mich.	6.00	
McCallum, Malcolm	Ashgrove	4.00	
Shortreed, Walter	Mansewood	20.00	
Summers, Mrs. Jane	Corinth	2.00	
Taber, Robt. T.	Athens	2.00	
Watson, Wm. O.	463 Balmoral Ave., Winnipeg	2.00	
			$58.00

Unclaimed Dividend No. 4:—

Appleyard, Albert, Jr.	Georgetown	2.00	
Appleyard, Thos E.	"	2.00	
Cook, G. J.	Beachville	2.00	
Cook, Estate of Jesse	Zephyr	10.00	
Edwards, Mrs. Jane	Balsam	4.00	
Gow, Peter	Wallacetown	2.00	
Gowan, Chas. W.	Ballymote	2.00	
Maguire, E. C.	Cornell	2.00	
Marsh, Lewis	Belleville Station	4.00	
Menzies, Wm.	Kelso	2.00	
McCallum, Dugald	Adrian ,Mich.	6.00	
O'Neill, Terence	Phelpstone	2.00	
Pugh, Edward E.	Claremont	2.00	
Summers, Mrs. Jane	Corinth	2.00	
Taber, Robt. T.	Athens	2.00	
Watson, Wm. O.	463 Balmoral Ave., Winnipeg	2.00	
			$48.00

Dividend No. 5:—

Allin, Mrs. Jesse	Holbrook	$10.00	
Appleyard, Thos	Georgetown	2.00	
Dromgole, Harry	Wallacetown	2.00	
Edwards, Mrs. Jane	Balsam	4.00	
Arkell, Henry A	Teeswater	2.00	
Forden, J. E	Beachville	2.00	
Freeman, Jos. G	Boxgrove	6.00	
Gow, Peter	Wallacetown	2.00	
Gowan, Chas. W	Ballymote	2.00	
Gregg, J. W	North Claremont	2.00	
Hanna, Wm	Erin	4.00	
Henry, Mrs. Elizabeth	Cheltenham	4.00	
Hunter, Wm. J	Cheltenham	2.00	
Kellett, Wm	Springford	2.00	
Lewis, Harry	Mountain Grove	4.00	
Lyons, Albert	Cheltenham	2.00	
Marsh, Lewis	Belleville Station	4.00	
Mayne, Mrs. Ellen	Stirton	2.00	
Menzies, Wm	Kelso	2.00	
McCallum, Dugald	Adrian, Mich	6.00	
McCallum, Malcolm	Ashgrove	4.00	
McIntyre, Duncan	Fingal	2.00	
McNally, J. J	Springford	2.00	
O'Neill, Terence	Phelpstone	2.00	
Randall, Miss Claretta	Springford	4.00	
Smith, I. M	Long Lake	10.00	
Summers, Mrs. Jane	Corinth	2.00	
Swartz, Neil	Beadville	2.00	
Symons, Wm. L	Toronto	20.00	
Waines, Walter F	Udora	2.00	
Watson, Wm. O	Winnipeg	2.00	
Wesley, Mrs. Mary	Zephyr	4.00	
Wilson, Wm. & Hugh	Rothsay	4.00	
			$126.00
	Total		$284.00

"I"

CASH OVER AND ITEMS IN TRANSIT AS ON DECEMBER 19TH, 1910.

Toronto:—		
Cash over account	$105.82	
Dashwood:—		
Items in transit—N. Y. List	9.90	
Embro:—		
Deposit J. E. Hamilton	5.00	
Haileybury:—		
Payment Jarrett P. D. B	5.00	
Lakeside:—		
Tp. of W. Zorra Taxes—Credited to Embro	80.02	
Tp. of W. Zorra Taxes—Credited to Embro	20.09	
Milton:—		
Toronto B. D. R. credited	12.28	
Toronto:—		
Embro—credited for error in list	20.00	
Total		$258.11

'L'

SPECIE ON HAND AS ON DECEMBER 19TH, 1910.

Toronto	$1,441.73	
Allenford	252.01	
Arkona	225.72	
Athens	132.03	
Belleville	228.78	
Bethany	150.89	
Burgessville	124.86	
Camden East	200.51	
Cheltenham	102.19	
Dashwood	336.44	
Dunsford	109.36	
Embro	274.67	
Fingal	282.32	
Haileybury	204.43	
Kerwood	363.11	
Kinmount	230.85	
Lakeside	156.52	
Lindsay	288.95	
Millbank	205.16	
Milton	397.19	
Norval	194.13	
Phillipsville	204.09	
Pontypool	271.37	
Sharbot Lake	251.36	
Stouffville	106.06	
Williamstown	248.48	
Zephyr	237.50	
Head Office	50.00	
Total		$7,270.71

DOMINION NOTES ON HAND ON DECEMBER 19TH, 1910.

Toronto	$861.25	
Allenford	17.00	
Arkona	738.00	
Athens	341.00	
Belleville	311.00	
Bethany	221.00	
Burgessville	304.00	
Camden East	221.00	
Cheltenham	202.00	
Dashwood	629.00	
Dunsford	160.00	
Embro	510.00	
Fingal	152.00	
Haileybury	667.00	
Kerwood	61.00	
Kinmount	23.00	
Lakeside	190.00	
Lindsay	1,009.00	
Millbank	384.00	
Milton	163.00	
Norval	795.00	
Philipsville	437.25	
Pontypool	243,00	
Sharbot Lake	521.00	
Stouffville	113.00	
Williamstown	402.00	
Zephyr	358.00	
Total		$10,033.50

"N"

DEPOSIT WITH DOMINIOM GOVERNMENT AS ON DECEMBER 19TH, 1910.

Deposit with 3% interest up to June 30th, 1910	$20,250.00

"O"

NOTES AND CHEQUES OF OTHER BANKS AS ON DECEMBER 19TH, 1910.

	On Hand.	In Transit
Toronto	35,451.45	
Allenford	210.00	1,021.00
Arkona	220.58	
Athens	180.00	
Belleville	6,193.45	
Bethany	347.00	
Burgessville	175.00	
Cheltenham	490.00	
Dashwood	28.00	1,580.00
Dunsford	451.00	
Embro	195.00	
Fingal		616.00
Haileybury	387.90	
Kerwood	20.00	517.00
Kinmount	510.00	
Lakeside	100.00	558.00
Lindsay	963.82	
Millbank	510.00	
Milton	368.60	
Norval	500.00	
Philipsville		555.00
Pontypool	495.00	
Sharbot Lake		780.00
Stouffville	120.00	
Williamstown	475.00	
Zephyr	5.00	775.00
		$6,402.00
In transit	6,402.00	
Total	$54,798.80	

"P"

DEPOSITS IN OTHER BANKS IN CANADA AS ON DECEMBER 19TH, 1910.

Toronto:—		
Royal Bank	$7,065.10	
Arkona:—		
Standard Bank	567.13	
Belleville:—		
Bank of Montreal	312.65	
Dominion Bank	596.55	
Embro:—		
Traders Bank	239.27	
Haileybury:—		
Traders Bank	170.37	
Ottawa	337.24	
Lindsay:—		
Bank of Commerce	105.00	
Norval:—		
Merchants—Brampton	1,266.60	
Merchants—Georgetown	664.59	
Total		$11,324.50

"Q" BALANCES DUE FROM BANKS IN UNITED KINGDOM AS ON DECEMBER 19TH, 1910.

London & Westminster Bank, London, England	$8,611.58

Memo.

This account is subject to adjustment in connection with drafts sold against credit (included in demand liabilities) and not charged until returned paid by London & Westminster Bank.

"R" BALANCES DUE FROM FOREIGN AGENTS AS ON DECEMBER 19TH, 1910.

Toronto Branch:—

Mercantile National Bank,	New York	$ 337.59
Central " "	Buffalo	1,417.01
Corn Exchange " "	Chicago	429.51
Old Detroit " "	Detroit	1,708.51
Second " "	Pittsburgh	209.72
Credit Lyonnais	Paris, France	667.77
Berliner Handels	Berlin, Germany	260.78
Total		$5,030.89

Memo.

These amounts are subject to deduction for drafts issued (included in demand liabilities) and are not charged against Banks until returned paid to Farmers Bank.

"S" CASH ITEMS AS ON DECEMBER 19TH, 1910.

	On Hand	In Transit
Toronto	$2,654.36	$3,302.22
Allenford	1,731.62	26.30
Arkona	81.35	227.62
Athens		
Belleville		1,025.00
Bethany		499.46
Burgessville	1,455.25	2,386.46
Camden East	6.67	34.85
Cheltenham		1,115.80
Dashwood	1,052.80	922.94
Dunsford		
Embro	1,033.26	467.99
Fingal	83.80	1,436.57
Haileybury	327.20	3,070.00
Kerwood	1,420.83	676.38
Kinmount	452.43	971.06
Lakeside	1,781.98	2,708.65
Lindsay		1,379.11
Millbank	79.97	173.26
Milton	360.90	278.13
Norval		5.54
Philipsville	143.85	933.60
Pontypool		991.88
Sharbot Lake	497.81	1,171.43
Stouffville		1,548.97
Williamstown		891.01
Zephyr	6,378.00	500.00
		$26,744.23
In Transit	26,744.23	
Total	$46,286.31	

"T"

RAILWAY AND OTHER STOCKS AND BONDS AS ON DECEMBER 19TH, 1910.

Dominion Radiator Co., 47 shares, par value $100	$ 5,875.00
Buckingham Graphite Co. Bonds	30,000.00
Ontario Leather Co. Bonds	75.000,00
Arkona Dairy Co., 2 shares	20.00
Chambers-Ferland, 20,000 shares at 15c	3,000.00
Total	$113,895.00

"U" CALL AND SHORT LOANS AS ON DECEMBER 19TH, 1910.

Toronto:—

A. C. Macdonell	$ 1,088.55	
Lake Shore Country Club	5,000.00	
E. R. Michie	66,124.82	
John Tevis	16,917.93	
		$89,131.30

"V" CURRENT LOANS, DISCOUNTS AND OVERDRAFTS AS ON DECEMBER 19TH, 1910

Toronto	$699,556.50	
Allenford	2,656.45	
Arkona	12,138.05	
Athens	303.77	
Belleville	749.75	
Bethany	991.05	
Burgessville	4,061.65	
Camden East	815.00	
Cheltenham	1,990.65	
Dashwood	27,342.14	
Dunsford	1,042.50	
Embro	33,194.18	
Fingal	1,789.05	
Haileybury	1,371.41	
Kerwood	5,008.69	
Kinmount	355.50	
Lakeside	2,576.19	
Lindsay	4,856.30	
Millbank	12,483.45	
Milton	6,881.37	
Norval	1,565.90	
Philipsville	2,796.48	
Pontypool	1,823.65	
Sharbot Lake	7,639.78	
Stouffville	34,040.42	
Williamstown	2,358.87	
Zephyr	9,187.24	
Head Office	16,800.00	
Total		$896,375.99

"W" DOMINION PERMANENT L. & S. CO.

Amount of deposit not bearing interest, as on December 19th, 1910	$500.00

"Y" CUGHAN SHORTAGE

Claim against United States Fidelity Co., for defalcations of Robert E. Cughan, Athens Manager	$646.57

"Z" OVERDUE DEBTS, AS ON DECEMBER 19TH, 1910.

Toronto	$64,101.18	
Allenford	454.25	
Arkona	364.95	
Athens	26.08	
Belleville	465.93	
Burgessville	695.75	
Dashwood	562.70	
Embro	658.29	
Haileybury	342.02	
Kerwood	15.00	
Lakeside	20.50	
Lindsay	198.13	
Millbank	51.00	
Milton	100.00	
Philipsville	46.38	
Stouffville	239.30	
Williamstown	200.00	
Total		$68,551.47

"Za" BANK PREMISES AND FURNITURE AND FIXTURES AS ON DECEMBER 19TH, 1910

	Furniture and Fixtures	Premises	Total
Toronto and Head Office	6,126.32 19,330.26	736.30 12,695.62	38,888.50
Allenford (including Southampton)	2,738.25	191.06	2,929.31
Arkona	1,051.90	334.16	1,386.06
Athens	945.21	19.50	964.71
Belleville (own premises)	4,632.01	23,503.65	28,135.66
Bethany	3,031.01	1,164.07	4,195.08
Brucefield	1,142.32	.....	1,142.32
Burgessville	2,243.12	258.55	2,501.67
Camden East	2,177.40	62.00	2,239.40
Cheltenham	2,144.95	274.75	2,419.70
Dashwood	1,136.28	495.00	1,631.28
Dunsford (in Lindsay)	.....	.....	.....
Embro	1,102.50	53.30	1,155.80
Fingal	1,644.00	28.59	1,672.59
Haileybury	1,187.22	50.00	1,237.22
Kerwood	2,866.27	622.92	3,489.19
Kinmount (in Lindsay)	.....	.....	.....
Lakeside	275.64	.....	275.64
Lindsay	4,290.28	3,353.07	7,823.35
Millbank	1,055.00	.....	1,055.00
Milton (own premises)	3,790.30	7,063.25	10,853.55
Norval (own premises)	2,821.84	6,549.27	9,371.11
Philipsville	1,002.57	90.00	1,092.57
Pontypool	1,422.24	139.85	1,562.09
Sharbot Lake (own premises)	1,081.94	2,883.33	3,965.27
Spring Brook	669.61	253.78	923.39
Stouffville	2,881.94	35.90	2,917.84
Trenton (own premises)	3,831.68	14,735.39	18,567.07
Williamstown	2,846.07	.....	2,846.07
Zephyr	2,799.01	64.45	2,863.46
Charge back from Organization account	.....	.....	20,500.00
Total	.....	.....	$178,604.90

"Zb" KEELEY MINE LIMITED—HEAD OFFICE ACCOUNT, AS ON DECEMBER 19TH, 1910.

Investments in Stock and Bonds—H. O.	$535,000.00	
Call Loan, H .O.	300,000.00	
Current Loans, H. O.	250,978.70	
Total		$1,085,978.70

Memo.

It was ascertained subsequent to balance of December 19th, 1910, being taken off, that there were credits to Keeley Mines as follows:—

Toronto Current Account	$6,255.26	
Haileybury Current Account	1,258.08	
	$7,513.34	
Less:—		
Money Orders issued at Haileybury	322.01	
Total credit	$7,191.33	

At this time there were in the Toronto office notes for loans amounting to $72,481.45 in addition to above.

ITEMS IN TRANSIT, DECEMBER 19TH, 1910

	Cash	Cash Items	
Allenford	$1,021.00	$ 26.30	$1,047.30
Arkona	.....	227.62	227.62
Belleville	.....	1,025.00	1,025.00
Bethany	.....	499.46	499.46
Burgessville	.....	2,386.46	2,386.46
Camden East	.....	34.85	34.85
Cheltenham	.....	1,115.80	1,115.80
Dashwood	1.580.00	922.94	2,502.94
Embro	.....	467.99	467.99
Fingal	616.00	1,436.57	2,052.57
Haileybury	.....	3,070.00	3,070.00
Kerwood	517.00	676.38	1,193.38
Kinmount	.....	971.06	971.06
Lakeside	558.00	2,708.65	3,266.65
Lindsay	.....	1,379.11	1,379.11
Millbank	.....	173.26	173.26
Milton	.....	278.13	278.13
Norval	.....	5.54	5.54
Philipsville	555.00	933.60	1,488.60
Pontypool	.....	991.88	991.88
Sharbot Lake	780.00	1,171.43	1,951.43
Stouffville	.....	1,548.97	1,548.97
Williamstown	.....	891.01	891.01
Zephyr	775.00	500.00	1,275.00
Toronto	.....	3,302.22	3,302.22
	$6,402.00	$26,744.23	$33,146.23

Credit Items:—			
Dashwood	Detroit (?) deposit	$9.90	
Embro	Toronto—Hamilton deposit	5.00	
Haileybury	Jarrett—Toronto P.D.B.	5.00	
Lakeside	Embro deposit re Tp. W. Zorra	100.11	
Milton	Toronto B.D.R. No. 738	12.28	
Embro	Error in remittance	20.00	
			$152.29

CLEARING ACCOUNT, DECEMBER 19TH, 1910

H. O. Balance	Br. Balance	Branches	Br. Balance	H. O. Balance
$335,897.50	.....	Toronto	$1,072,794.78	.....
.....	$16,204.79	Allenford	.....	$17,898.97
.....	27,323.09	Arkona	.....	6,019.40
.....	16,762.49	Athens	.....	3,376.67
.....	26,975.55	Belleville	.....	23,461.74
.....	50,408.19	Bethany	.....	8,894.28
.....	31,615.88	Burgessville	.....	7,037.55
.....	68,187.22	Camden East	.....	13,672.35
.....	31,472.48	Cheltenham	.....	403.43
.....	75,958.55	Dashwood	.....	10,321.76
.....	30,682.82	Dunsford	.....	954.78
1,323.11	37,329.52	Embro	.....	.....
.....	30,024.49	Fingal	.....	5,102.12
.....	18,804.38	Haileybury	.....	6,229.04
.....	57.901,76	Kerwood	.....	6,964.67
.....	32,247.34	Kinmount	.....	981.89
.....	26,696.54	Lakeside	.....	4,433.57
.....	25,071.29	Lindsay	.....	21,143.62
.....	46,130.52	Millbank	.....	6,155.03
63,918.08	20,672.01	Milton	.....	.....
.....	29,913.69	Norval	.....	2,412.73
.....	31,624.42	Philipsville	.....	5,670.08
.....	42,038.88	Pontypool	.....	7,629.35
3,766.15	40,760.30	Sharbot Lake	.....	.....
.....	.....	Stouffville	9,812.25	1,393.38
.....	20,800.39	Williamstown	.....	2,166.28
.....	38,702.74	Zephyr	.....	1,290.51
$404,904.84	$874,309.33		$1,082,607.03	$163,613.20
	404,904.84		163,613.20	
	152.29	In Transit	33,146.23	
	$1,279,366.46		$1,279,366.46	

ASSETS NOT ENUMERATED.

Defalcations W. R. Travers, about		$156,000.00
Secured by Bonds:—		
United States Fidelity Co	$50,000.00	
Lloyds	25,000.00	
Refunds by Mrs. W. R. Travers:—		
Cash	$2,103.15	
Jewellery—3 pieces		
Claim against the Misses Travers:—		
Property bought for them by W. R. Travers		$ 2,200.00
Claim for illegal preferences against The Trusts & Guarantee Co. Ltd		295,000.00
Claim against Dr. R. J. Robins, Haileybury, for illegal preference		2,000.00
Claim against Jacob S. Saunders, Toronto, for illegal preference		45,000.00
Claim against O. W. Graybeil, of Williamstown, for illegal preference		612.00
Claim against F. Compton, Toronto, overpayment of interest on circulation		10,000.00
Claims against Provincial and Permanent Directors for misfeasance		
Repayment of dividends out of Capital		
Claims against Trusts & Guarantee Co. and Dominion Permanent L. & S. Co. for interest upon deposits		
Re Keeley Mine Stock—Travers, Wishart and Beattie Nesbitt		
Claims for withdrawals at Branches after suspension		

THE FARMERS BANK OF CANADA

Trial Balance

October 31st, 1911.

	Cash	$273.90	1	Paid up Capital	$567,599.00
5	Safes and Furniture	5,880.95	8	Circulation	825,000.00
6	Receiver General	20,851.84	26	Trusts & Guarantee Co.	2,181.72
7	Geo. Richardson	35.00	30	Furniture and Fixtures	24.20
	T. C. McConnell	87.50	40	Special Suspense	2,562.35
12	Bank Premises	30,892.05	65	Treasurer of Ontario	26,533.16
25	Stocks and Bonds	6,278.38	67	Double Liability	2,835.84
35	Stationery	86.48	70	Bank of Commerce Spec.	229.33
41	Suspense	115.05	72	Molsons Bank	583.32
45	Interest	2,789.46	77	Bank of Toronto Spec.	955.31
47	Baxter & Co	5,097.66	78	Merchants Bank Spec.	1,263.41
48	Ontario Leather Co	143,739.86	81	Cash over and cash short	98.62
53	Profit and Loss Account	138,590.94	84	Standard Bank Spec	2,127.50
54	Bank of Montreal	201.60	120	Belleville Deposit Accounts	11,206.40
59	Bank of Commerce	43.20	188	Sharbot Lake Coll. Account	457.46
62	Protest	7.36	214	Belleville Rent	675.81
64	Retd. Farmers Bank Notes.	419,550.00	216	J. L. Rivhardson	2,887.85
68	O. W. Greybeil	612.00	231	W. R. Travers	20,517.29
73	Dominion Bank Spec	5,386.08		Trenton Rent	375.00
76	Bank of Montreal Spec	5,808.95	232	R. J. Robins	1,000.00
	Mercantile Nat. Bank	1.60	233	Sundry Assets	4,428.97
82	Renewal Loans	350.00	241	W. Waddell Spec.	553.39
85	Royal Bank	81.50	169	Bank D'Hochelaga Spec.	36.97
93	Toronto Branch	1,413.02	170	Bank B. N. A. "	502,33
197	Todd & Cook	1,487.57	171	Eastern Townships "	11.08
212	Keeley Mines	1,158,808.51	172	Bank of Hamilton. "	443.55
215	Hecla Mines	28,395.82	173	Home Bank "	29.81
217	J. M. Poole	271.15	174	Imperial Bank "	487.50
	G. Wishart	50,799.41	175	Bank of Nova Scotia "	499.98
218	Lake Shore C. Club	55,046.57	176	Bank of Ottawa "	56,26
219	General Trade	59.20	177	Quebec Bank "	74.96
	L. K. Cameron	239.50	178	Sterling Bank "	1,324.92
220	Nellis Travers Co	18,036.27	179	United Empire Bk. "	468.33
221	Law Costs	16,777.62	180	Bank of Vancouver "	301.57
222	Protest	5.46	181	Bank of Montreal "	2,080.91
223	Toronto World	14,080.54	182	Union Bank "	744.14
225	Exchange	258.27	183	Northern Crown Bk. "	207.49
226	Contingent	192,514.32	184	La Banque Nationale Spec.	9.90
228	Bank of Toronto	2,440.81		Current Accounts	147,279.32
230	Valveless Inner Tube	100.00		Savings Bank Account	979,894.83
232	Hunter & Hunter	11.52		Drafts issued	28,753.87
4	D. C. Hossack	14,607.35			
	W. J. Knabe	83,594.61			
235	A. D. Goodall	2,745.49			
	Canadian Show Case	1,543.23			
236	Buckingham Graphite	84,120.79			
	P. Ryan	3,719.08			
237	H. J. Dingman	2,800.00			
237	Jesse Cook Estate	1,826.25			
8	E. R. Michie	26,124.82			
	Jas. Munro	11,635.45			
240	Liquidator's Fees	5,000.00			
	Curator's Fees	500.00			
241	Des. Currency	55.00			
242	Law Costs prior to Suspension	591.00			
301	Charges	14,321.93			
	Loans and Discounts	24,590.08			
	Past Due Bills	12,212.55			
	Overdrafts	19,792.90			
	Cash Items	15.00			
		$2,637,303.65			$2,637,303.65

THE FARMERS BANK OF CANADA.

	L. & D.	P. D. B.	O. D.	C. I.	C. A.	S. A.	D. I.
Toronto	$18,523.82	$7,979.16	$19,618.38	$15.00	$22,091.67	$11,759.09	$112.12
Allenford	368.26	11.10			791.54	23,848.75	696.66
Arkona	409.30	550.12			3,154.30	37,872.89	50.62
Athens					3,023.06	16,745.80	42.80
Belleville		227.99			2,082.87	16,018 19	5,973.57
Bethany					2,452.39	52,979.86	89.54
Burgessville	473.04				3,523.35	35,417.36	593.71
Camden East					16,639.18	54,035.55	1,907.05
Cheltenham					637.96	34,708.20	7.15
Dashwood	612.06	493.68	113.86		3,976.52	107,687.31	731.35
Dunsford					1,555.40	33,158.95	9.97
Embro		630.02			28,746.07	41,533.42	269.23
Fingal		135.00			739.15	31,725.00	72.76
Haileybury	1,099.84	107.91	18.28		6,076.28	13,218.29	1,218.04
Kerwood	116.00		23.90		8,916.35	57,514.74	674.55
Kinmount					1,498.23	31,043.08	488.63
Lakeside					964.68	31,123.58	203.90
Lindsay		89.89	16.08		1,459.78	31,184.83	709.06
Millbank		19.30	2.40		1,504.84	48,323.35	2,816.27
Milton	1,291.07	59.79			13,385.66	28,620.16	
Norval	171.88	78.65			5,825.45	33,292.73	453.43
Philipsville					1,330.75	31,347.41	4,603.09
Pontypool	50.00	125.00			900.04	46,970.09	563.15
Sharbot Lake	501.04	914.94			3,355.28	47,511.09	730.31
Stouffville	450.00	80.00			446.21	22,077.91	2,015.04
Williamstown	440.47	110.00			3,464.79	19,798.39	145.92
Zephyr	84.20	600.00			8,735.22	39,741.78	3,845.95
	$24,591.08	$12,212.55	$19,792.90	$15.00	$147,279.32	$979,894.83	$ 28,753.87

FARMERS BANK OF CANADA.

October 31st, 1911.

		Bonds	Advances	Loans
47	Baxter & Co	.....	$ 80.41	$ 5,017.25
48	Ontario-Leather Co	$ 75,000.00	.....	68,739.86
76	Mercantile National Bank	.....	.....	1.60
82	Renewal Loans	.....	.....	350.00
88	Loans and Discounts	.....	.....	18,023.82
212	Keeley Mines	535,000.00	12,914.94	610,893.05
215	Hecla Silver Mines	.....	812.25	27,583.57
217	J. M. Poole	.....	150.75	120.40
	Geo. Wishart	.....	.....	50,799.41
218	Lake Shore Country Club	.....	24,170.25	30,876.32
219	L. K. Cameron	.....	10.50	229.00
220	Nellis-Travers	.....	7,036.27	11,000.00
223	Toronto World	.....	.....	14,080.54
234	D. C. Hossack	.....	2,294.20	12,313.15
	W. & J. E. Knabe	.....	100.00	83,494.61
235	A. D. Goofall & Co	.....	10.00	2,734.38
	Canadian Show Case Co	.....	10.00	2,033.23
236	Buckingham Graphite	30,000.00	58.85	54,061.94
	Peter Ryan	.....	.....	3,719.28
237	H. J. Dingman	.....	.....	2,800.00
238	E. R. Michie	.....	.....	26,124.82
58	Past Due Bills	.....	.....	7,979.16
85	Cash Items	.....	.....	15.00
113	Overdrafts	.....	.....	19,021.26
		$640,000.00	$ 47,648.42	$1,052,011.65

DEFICIENCY STATEMENT.

The Deficiency Statement, in my opinion, correctly accounts for the disposition of the assets of the Bank, except to a negligible extent. No actual audit of the accounts has been made for, to do so would take a long time and cost a lot of money, for no compensating benefit from the standpoint of the liquidation, but in unravelling various matters connected with the liquidation the facts in regard to all of the accounts have become very largely known. The accounts are much involved, apparently from deliberate intent, and if any differences should be found they will be largely of the nature of book entries without any practical difference in effect.

In compiling the statement the book entries have been disregarded in favor of the facts relative to each account.

RECAPITULATION

Approximate.

Capital Paid up		$532,599.00
Premiums on Stock		13,555.00
Circulation Outstanding		405,450.00
Deposits and Drafts		1,185,886.00
Special Recoveries, Collaterals, etc		23,300.00
		$2,160,790.00

Disposition.

Bad Debts		598,565.00	
Bank Note Printing	7,558.00		
Stationery	30,959.00		
Operating Losses	242,602.00		
		281,119.00	
Organization Outlays		87,279.00	
Defalcations	211,868.00		
Less expected recoveries	77,750.00		
		134,118.00	
Dividends paid		50,772.00	
W. Beattie Nesbitt, loans and stock		60,000.00	
Purchase of Keeley Mine Stock		15,000.00	
Sundry Items		3,274.00	
Keeley Mine Advances—exclusive of interest of $73,371.00		509,886.00	
Losses on investment in Bank premises, fixtures and furniture account		108,801.00	
		$1,848,814.00	
Less Sundry credits	7,377.00		
Commission, items included in above, but deducted from amount of Capital paid up as per books of Bk. reducing same to $532,599.00			
Commissions, etc	10,500.00		
Items included in Bad Debts	24,500.00		
		42,377.00	1,806,437.00
			354,353.00
Interest Paid on Circulation		2,789.00	
Law Costs		16,788.00	
Curator and Liquidator		5,500.00	
Salaries, Rentals, etc		9,760.00	
Cash on Hand		2,960.00	
Valuation of Assets		297.865.00	
Keeley Mine		10,915.00	
			346,567.00
Unexplained Deficiency			$ 7,786.00

EXHIBIT 64.

Stock Commissions Account as prepared by Mr. Clarkson.

THE FARMERS BANK OF CANADA

TRIAL BALANCE

COMPILED

Commissions	$ 42,806.00	.....
Bank Premises	2,498.60	.....
Bills Receivable	175,830.00	.....
Bank of Montreal	.....	$ 95,000.00
Directors' Fees	11,760.40	.....
Discount	539.88	.....
Exchange	66.55	.....
Expense	3,237.73	.....
Furniture	327.65	.....
Interest	.....	690.56
A. S. Lown	560.00	.....
Merchants National Bank	25,100.00	.....
Petty Cash	194.57	.....
H. H. A. Proctor	40.00	.....
Stationery	395.66	.....
Solicitors' Fees	1,668.30	.....
Salaries	2,323.50	.....
Stocks	20,027.00	.....
Travelling	1,274.82	.....
Trusts & Guarantee Co	80,605.81	.....
Payments account Capital Stock in cash	.....	179,181.01
" " " " notes	.....	175,830.00
" " " " " paid	.....	21,705.00
" " " " stocks	.....	25,915.00
" " " " allowed by discount	.....	258.29
Dr. Beattie Nesbitt Deposit Account	.....	25.00
Deposits	25.00	.....
Receiver General for Legals	2,000.00	.....
Money deposited C. B. 3, not credited	.....	50.00
Union Bank	127,373.39	.....
	$498,654.86	$498,654.86

CASH STATEMENT

Receipts.

Receipts on Capital Stock;			
Paid in Cash		$179,181.01	
Paid in Cash on a/c notes		21,705.00	
Paid in Cash, Stock sold		5,888.00	
Paid in Stock	25,915.00		
Less sold	5,888.00	20,027.00	
Paid in Notes		175,830.00	
Paid by Discount		258.29	
			$ 402,889.30
Interest			690.56
Rent			56.00
Telephone			.10
Exchange			8.07
Protest fees			1.61
Deposits			25.00
Cash Deposit C. B. 3, (No memo. whom from)			50.00
Refund payments to—			
Smith		400.00	
Browning		387.12	
Beam		60.00	
Steckle		20.00	
			867.12
			404,587.76

Payments:

Commission		42,871.00	
Directors' fees		11,760.40	
Discount		514.38	
Stationery		395.66	
Furniture		327.65	
Petty Cash		320.00	
A. S. Lown		560.00	
Refunded above:			
Smith	400.00		
Browning	387.12		
Beam	60.00		
Steckle	20.00		
		867.12	
Solicitors		1,668.30	
Travelling		1,274.82	
Salaries		2,323.50	
Exchange		74.19	
Expense		3,170.44	
Bank Premises		2,498.60	
J. E. Casey		25.50	
			68,651.56
			335,936.20
Trusts & Guarantee Co			100,000.00
Bills Receivable	175,830.00		
Union Bank	127,373.39		
Merchants National Bank	25,100.00		
Legals	2,000.00		
Receiver General	5,000.00		
Stock	20,027.00		
Trusts & Guarantee Co	80,605.81		
	$435,936.20		$435,936.20

PAYMENTS ON ACCOUNT OF CAPITAL STOCK

1905		
Jan. 27	Whyte, J.	$ 20.00
	Corbett, R. H.	1,000.00
	Davidson, E.	1,000.00
	Laing, H.	1,000.00
	Johnston, R.	100.00
	Gibb, H. C.	40.00
	Page, G. L.	200.00
	Casey, C.	100.00
	Johnston, J.	40.00
25	Woodisse Bros.	300.00
Feb. 2	Cunningham, H.	100.00
	Wilson, W. & H.	80.00
	Gibb, H. C.	100.00
	Ellis, G.	150.00
	Page, G. L.	100.00
	Casey, J. E.	75.00
	Ritch, W.	30.00
17	Noble, R.	60.00
	Fowler, G. S.	75.00
	Wadel, J.	150.00
Mar. 3	Casey, C.	50.00
	Ritch, W.	20.00
	Wadel, J.	100.00
	Fowler, G. S.	100.00
9	Mayne, E.	175.00
	Ellis, G.	50.00
	Page, G. L.	100.00
Apr. 5	Ritch, W.	20.00
	Wadel, J.	100.00
	Whyte, J.	20.00
6	Page, G. L.	100.00
7	Casey, E. J.	50.00
	Dowling, J. J.	5.00
	Dales, J. N.	5.00
	Tucker, G.	10.00
	Gordon, C.	10.00
	Downey, Jas.	10.00
	Brimblecomb, Wm.	25.00
	White, C.	25.00
May 5	Casey, Ion.	50.00
9	Page, G. L.	100.00
25	Ellis, G.	300.00
	Casey, C.	50.00
		$ 6,195.00

			Discount
1905	Forward	$6,195.00	.....
June 7	Elsley, L.	70.00	.....
July 4	Casey, Ion	50.00	.....
27	Fortier, J.	10.00	.....
	Munro, Jas.	250.00	.....
	Casey, Ion	50.00	.....
Aug. 23	Davidson, W. F.	20.00	.....
27	Haseltrim, W. H.	100.00	.....
26	Gibson, J. L.	20.00	.....
Sept. 2	McKay, A.	50.00	.....
	McKay, H.	50.00	.....
	Sutherland, G. A.	50.00	.....
	Sutherland, G.	100.00	.....
	Geddes, H. J.	100.00	.....
	Stevens, F. B.	200.00	.....
7	Newman, R. A.	500.00	.....
	Elsley, L.	30.00	.....
	Walker, J.	20.00	.....
26	Lathrop, F. E.	100.00	.....
	Visger, J. S.	5.00	.....
	Ryan, J. G.	5.00	.....
	Boivin, E.	20.00	.....
	Lavertine, L. V.	15.00	.....
Oct. 5	Sutherland, R.	50.00	.....
	Sutherland, M.	50.00	.....
	Brand, C. A.	50.00	.....
	Murray, C.	100.00	.....
13	Walsh, J.	60.00	.....
21	Lindsay, J.	100.00	.....
30	Ferguson, A.	100.00	.....
Nov. 14	Newman, R. A.	1,000.00	.....
15	Lathrop, F. E.	200.00	.....
20	Sutherland, Geo.	200.00	.....
22	Stevens, F. B.	400.00	.....
	Simpson, G. A.	100.00	.....
	Morse, G. A.	50.00	.....
24	Sutherland, G. A.	50.00	.....
Dec. 7	Ferguson, A.	200.00	.....
	Lathrop, F. E.	100.00	.....
	Newman, R. A.	500.00	.....
9	Sutherland, G.	100.00	.....
11	Newman, R. A.	2,973.75	26.25
20	Ferguson, A.	100.00	.....
		$14,493.75	$26.25

1906			Discount	Note	Payments on Note.
	Forward	$14,493.75	$26.25		
Jan. 4	Nelson, J. H.	200.00			
8	Paterson, W. A.	100.00			
	Lathrop, F. E.	100.00			
11	Sutherland, Geo.	100.00			
Feb. 6	Lathrop, F. E.	100.00			
12	Sutherland, G.	100.00			
Mar. 5	Samson, Jas.	50.00			
6	Sutherland, Geo.	100.00			
9	Lathrop, F. E.	400.00			
20	McLennan, R. R.	500.00			
28	Armstrong, R. W.	10.00			
26	Watt, J. A.	10.00			
29	Gilchrist, A.	30.00			
	Webb, T.	100.00			
	Harris, M. A.	200.00			
31	Brown, J. G.	20.00			
	Noble, R.	300.00			
Apr. 2	Wise, H.	50.00			
3	Barnhill, W. J.	20.00			
4	Hunter, J. F.	100.00			
5	Cook, J. E.	40.00			
6	Day, G. H.	300.00			
	Turner, W. D.	200.00			
	Watson, R.	50.00			
	Anthony, F. W.	10.00			
	Sutherland, Geo.	100.00			
19	Leslie, M.	500.00			
	Leslie, R. T.	400.00			
	Tumulty, T. H.	100.00			
10	Chisholm, Wm.	30.00			
18	McMillan, I.	50.00			
19	Watson, R.			450.00	
	Anthony, F.			90.00	
	Skyes			1,000.00	500. 9-5-06 500. 2-4-08
	Cook, J. C.			450.00	
	Switzer, J. C.			500.00	50. 23-6
	Cook, J. C.	50.00			
	Fisher, A. E.	50.00			
	Earley, N. Y.	600.00	Travers IOU		
24	Hyatt, W.	100.00			
	Hunter, J.	10.00			
25	Showler, T. W.	100.00			
	Hotson, A.	150.00			
25	Dickison, T.	400.00			
	Dickison, J.	500.00			
	Showler, T. W.			900.00	
28	Green, C. J.	20.00			
	Junter, J. W.	50.00			
	Ellis, J. S.	10.00			
	Ferguson, A.	100.00			
30	Smith, A. E.	40.00			
	Bowley, J.	100.00			
	Leslie, R. T.	600.00	Travers IOU		
May 1	Sutherland, D.	30.00			
	Waters, W.	100.00			
	Waters, S.	100.00			
	Moore, L.	10.00			
	Smith, S.	10.00			
	Ellis, J. S.	20.00			
	Chisholm, W.	60.00			
	Greenlees, Bros.	300.00			
		$23,173.75	$26.25	$3,390.00	$1,050.00

			Discount	Note	Payments on Note
1906	Forward	$23,173.75	$26.25	$3,390.00	$1,050.00
May 1	Hunter, J. F.	200.00			
	Sutherland, Jas.	100.00			
	McKay, H.	100.00			
	McKay, A.	100.00			
	Sutherland, G. A.	200.00			
	Webb, T.	200.00			
	Adams, B.	500.00			
	Showler, T. W.			2,000.00	
	Smith, G.			900.00	75. 23-8
					320. 22-9
	McLaughlin, J. C.			200.00	
	Greenlees Bros.			700.00	700. 20-9
4	Kerr, J.	500.00			
5	Hunter, J.	90.00			
	Cook, J. E.	356.27	3.73		
	McCann, E., Jr.	100.00			
	Darrah, R.	100.00			
	Simpson, J. P.	90.00			
	McMillan, D. A.	150.00			
	Kerr, J.			4,500.00	2,500. 1-9
	Darrah, R.			900.00	900. 23-5-6
	McCann, J. E.			900.00	
	Scott, W. N.			5,000.00	500. 7-8
					1,000. 22-9
	Daniels, G.			500.00	
	Cheym, L.			500.00	
7	Bell, G. A.			270.00	
	Powell, H. H.	150.00		1,350.00	1,350. 18-7
	Bell, G. A.	30.00			
8	Smith, G.	100.00			
	Smith, Sarah	90.00			
	Elsley, L.	400.00			
9	Nelson, J. H.	400.00			
	Morse, G. A.	445.36	4.64		
	Simpson, G. A.	890.72	9.28		
	McMillan, I.	450.00			
	Hotson, A.	300.00			
	Hunter, Jno.	1,000.00			
	Ford, J. H.	50.00		450.00	450. 25-9
	Hunter, Jno.			500.00	500. 28-9
	Irving, Jno.			450.00	
	Panton, Wm.			900.00	
	McLeod, Jno.			100.00	
	Scott, J. B.			500.00	
	Mathews, A.			500.00	
	Green, C. J.	180.00			
	McKay, H.	50.00			
	Sutherland, R.	50.00			
	Sutherland, H.	50.00			
	Wise, Hy.	445.41	4.59		
	Elliott, Wm.	500.00			
	Irving, J.	50.00			
11	Woodesse, Bros.	700.00			
	Sutherland, G.	100.00			
	Seese, D. E.	150.00			
	Sutherland, R.	900.00			
	Sutherland, May	450.00			
	Sutherland, D.	270.00			
	McKay, A.	50.00			
	Seese, D. E.	50.00			
12	Nelson, J. H.	1,367.35	32.65		
	Elliott, Dollie	100.00			
		$35,728.86	$81.14	$24,510.00	$9,345.00

			Discount	Note	Payments on Note
1906					
	Forward	$35,728.86	$81.14	$24,510.00	$9,345.00
May 12	Story, G.	.....	.....	5,000.00	.....
	Beaty, W. T.	.....	.....	5,000.00	.....
14	Hyatt, Wm.	900.00	.....	.....	.....
	Barnhill, W. J.	100.00	.....	.....	.....
	Dewar, D.	50.00	.....	.....	.....
	Elliott, J. W.	50.00	.....	.....	.....
	Edmondston, J.	40.00	.....	.....	.....
14	Gillies, Mrs. Mary	100.00	.....	.....	.....
	Thompson, Miss L.	100.00	.....	.....	.....
	Sanders, W. H.	150.00	.....	.....	.....
	Sanders, A. N.	500.00	.....	.....	.....
	Demp, D. C.	.....	.....	5,000.00	.....
	Bates, J. E.	.....	.....	5,000.00	.....
	Green, J. B.	.....	.....	5,000.00	.....
	Hunter, Wm.	.....	.....	2,500.00	.....
	Hunter, T.	.....	.....	2,500.00	.....
	Sanders, W. H.	.....	.....	350.00	100. 29-9
	Foster, Jos.	1,000.00	.....	.....	.....
	McLachlin, D.	10.00	.....	.....	.....
15	Augustin, A. W.	10.00	.....	.....	.....
	Foster, J.	100.00	.....	.....	.....
	Brown, J. G.	180.00	.....	.....	.....
	Paterson, W. A.	200.00	.....	.....	.....
16	Stewart, J.	50.00	.....	.....	.....
	McDuffe, P. A.	.....	.....	1,000.00	.....
	Gastle, G.	100.00	.....	900.00	900. 7-7
	Roper, J. P.	10.00	.....	.....	.....
18	Sumners, J. (in Trust)	100.00	.....	.....	.....
19	McDowall, W. S.	480.00	.....	.....	.....
	Muir, G.	480.00	.....	.....	.....
	Shortreed, J. H.	500.00	.....	.....	.....
	McCallum, F.	100.00	.....	900.00	900. 22-9
	Scott, M. M.	100.00	.....	900.00	.....
	Scott, F.	100.00	.....	900.00	.....
	Ford, J. F.	.....	.....	5,000.00	200. 22-9
					500. 23-8
	Pell, J.	.....	.....	1,000.00	.....
	Aitken, Thos.	.....	.....	2,500.00	.....
21	Dixon, W. A.	.....	.....	5,000.00	.....
	Bunt, W. T.	.....	.....	180.00	40. 6-9
	Somerville, W.	.....	.....	900.00	.....
	McLachlin, D.	90.00	.....	.....	.....
	Pearce, E. E.	500.00	.....	.....	.....
	Bunt, W. T.	20.00	.....	.....	.....
	Somerville, W.	100.00	.....	.....	.....
	Sutherland, H.	450.00	.....	.....	.....
	McCuaig, M. M.	1,000.00	.....	.....	.....
	Moffatt, Jas.	100.00	.....	.....	.....
	Whitney, W. P.	10.00	.....	.....	.....
	Sutherland, James.	900.00	.....	.....	.....
22	Moore, L.	90.00	.....	.....	.....
23	Joyce, C.	50.00	.....	.....	.....
	Dewar, W. F.	100.00	.....	.....	.....
	Joyce, R.	100.00	.....	.....	.....
	Bridgman, B.	10.00	.....	.....	.....
	Augustine, A. W.	30.00	.....	.....	.....
	Thompson, G. H.	.....	.....	5,000.00	.....
	Emerson, And.	.....	.....	5,000.00	500. 28-7
	Joyce, C.	.....	.....	450.00	.....
	Dewar, W. F.	.....	.....	900.00	200. 6-10
	Joyce, R.	.....	.....	900.00	500. 22-9
25	Copeland, E. M.	100.00	.....	.....	.....
		$44,888.86	$81.14	$8 6,290.00	$13,185.00

			Discount	Note	Payments on Note
1906					
	Forward	$44,888.86	$81.14	$86,290.00	$13,185.00
May 25	Cattanach, J. F	60.00	.....	.....	.....
26	McCuaig, D. N	150.00	.....	.....	.....
	Waters, S	890.70	9.30	.....	.....
	Waters, Wm	890.70	9.30	.....	.....
	O'Hagan, J	10.00	.....	.....	.....
	Murray, Jas	100.00	.....	.....	.....
	Gallaway, C. E	50.00	.....	450.00	.....
28	Alderson, T	50.00	.....	450.00	.....
	Howden, T	.....	.....	500.00	.....
	Coulson, Jno	.....	.....	2,500.00	450. 30-7
	Bower, G. S	.....	.....	200.00	200. 28-8
	Coulson, W. J	.....	.....	500.00	50. 30-7
	Moffatt, Jas	400.00	.....	.....	.....
	Erwin, Jas	500.00	.....	.....	.....
	Hollinrake, C. E	50.00	.....	.....	.....
	Bradshaw, J. E	50.00	.....	.....	.....
	Wilson, I	20.00	.....	.....	.....
1	Robertson, Wm	500.00	.....	.....	.....
	Cruickshank, Anne	1,000.00	.....	.....	.....
	Hume, J	50.00	.....	450.00	.....
	Andrews, J. W	20.00	.....	180.00	.....
	Shuert, Jane	30.00	.....	270.00	.....
	Stewart, Jno	100.00	.....	900.00	.....
	Bell, G. A	70.00	.....	630.00	.....
	Pearce, E. E	500.00	.....	.....	.....
	Ross, A. J	10.00	.....	.....	.....
	Muir, G	11.80	8.20	.....	.....
	McDowall, W. S	11.80	8.20	.....	.....
	Simpson, J. P	30.00	.....	.....	.....
	Moffatt, J. F	90.00	.....	.....	.....
	Webb, T	100.00	.....	.....	.....
	Hunter, Francis	700.00	.....	.....	.....
June 1	McGregor, C. D	50.00	.....	450.00	100. 28-9
	Wilson, H. E	50.00	.....	.....	.....
	Kelly, P. J	100.00	.....	900.00	.....
	Ford, J. F	.....	.....	5,000.00	500. 29-9
	Cox, T	.....	.....	5,000.00	.....
	McDuffe, P. H	.....	.....	1,500.00	.....
	Kennedy, W. N	.....	.....	500.00	.....
	Powell, H. H	.....	.....	1,500.00	150. 18-7
4	Junter, Jno. W	450.00	.....	.....	.....
	Edmonstone, Jas	360.00	.....	.....	.....
	Fisher, A. E	100.00	.....	.....	.....
	Fraser, Edna S	20.00	.....	.....	.....
	Handy, L. O. M	10.00	.....	.....	.....
	Handy, E. F. T	10.00	.....	.....	.....
	Roper, J. P. (in Trust)	400.00	.....	.....	.....
	Darling, R. A	50.00	.....	450.00	.....
	Clements, M	50.00	.....	450.00	.....
	Denoon, G	.....	.....	2,000.00	.....
	Bridgman, B	.....	.....	360.00	.....
5	McMillan, D. A	50.00	.....	.....	.....
	Haydon, J. S	100.00	.....	.....	.....
	Mowbray, J. W	60.00	.....	.....	.....
	Sutherland, G	100.00	.....	.....	.....
6	Ford, Ed	150.00	.....	1,350.00	.....
	Fox, R. W	150.00	.....	1,350.00	.....
	Johnson, H. F	20.00	.....	180.00	.....
7	Walsh, Mrs. J	540.00	.....	.....	.....
	Fox, R. W	100.00	.....	.....	.....
	Roper, J. P	90.00	.....	.....	.....
	Fisher, A. E	350.00	.....	.....	.....
		$54,693.86	$116.14	$114,310.00	$14,635.00

			Discount.	Note.	Payments on Note.
1906	Forward	$54,693.86	$116.14	$114,310.00	$14,635.00
June 7	Hamilton	.....	.....	1,000.00	.....
	Hume, R.	.....	.....	1,000.00	.....
	McLean, Wm.	.....	.....	500.00	50. 31-7
	McLean, M.	.....	.....	500.00	50. 31-7
	Shortreed, W.	.....	.....	1,000.00	.....
8	Ross, A. J.	20.00	.....	.....	.....
	Chisholm	30.00	.....	.....	.....
	McDonald, P. D.	200.00	.....	.....	.....
11	Chapman, H. H.	10.00	.....	.....	.....
	Gilchrist, A.	40.00	.....	.....	.....
	O'Hagan, J.	20.00	.....	.....	.....
	Arnold, Agnes	30.00	.....	.....	.....
15	Ratz, J.	100.00	.....	.....	.....
16	Amey, E. B.	20.00	.....	.....	.....
	Stover, L. H.	100.00	.....	.....	.....
	Dickson, A.	40.00	.....	.....	.....
	Stedman, N.	50.00	.....	.....	.....
	Parrott, H. H.	40.00	.....	.....	.....
	Lynch, M. J.	50.00	.....	.....	.....
	Haydon, J. A.	40.00	.....	.....	.....
	Osborne, Annie	100.00	.....	.....	.....
	Sloan, W. J.	500.00	.....	.....	.....
	Johnson, C. J.	100.00	.....	.....	.....
	Handy, L. O. M.	20.00	.....	.....	.....
	Handy, E. F. F.	20.00	.....	.....	.....
	Peddie, J. C.	50.00	.....	450.00	200.28-9
	Porter, A.	50.00	.....	450.00	.....
	Foster, H. A.	150.00	.....	1,350.00	.....
	Fraser, E. S.	180.00	.....	.....	.....
	Gundy, B.	.....	.....	5.000.00	2,000.20-9
	Scott, M. M.	.....	.....	2,000	.....
18	Walker, W. D.	10.00	.....	90.00	.....
	Downs, E. W.	250.00	.....	2,250.00	400.29-9
	Porter, A.	50.00	.....	450.00	.....
	Edmonstone, J.	200.00	.....	.....	.....
	Bridgman, P.	40.00	.....	.....	.....
	Moffatt, J.	500.00	.....	.....	.....
	Whitney, W. P.	20.00	.....	.....	.....
	Mowbray, J. W.	535.07	4.93	.....	.....
	Haydon, J. S.	890.00	10.00	.....	.....
	Grigg, E.	30.00	.....	.....	.....
	Cartwright, A.	.....	.....	1,000.00	1,000.26-7
	Sinclair, W. G.	.....	.....	5.000.00	.....
	Ford, E.	.....	.....	1,000.00	100.22-9
	Fox, R. W.	.....	.....	900.00	.....
19	Brough, Jas.	500.00	.....	.....	.....
	Brough, Mrs. Jas.	200.00	.....	.....	.....
	Randall, C.	200.00	.....	.....	.....
20	Fuller, Eliah.	50.00	.....	350.00	.....
	Barnhill, W. J.	80.00	.....	.....	.....
	McCuaig, D. N.	100.00	.....	.....	.....
	Robertson, Hugh	50.00	.....	.....	.....
	Robertson, D. J.	100.00	.....	.....	.....
	McKinnon, D. P.	100.00	.....	.....	.....
21	Dewar, Duman	100.00	.....	.....	.....
		$60,658.93	$131.07	$138,600.00	$18,435.00

			Discount	Note.	Payments on Note.	Securities
1906	Forward	$60,658.93	$131.07	$138,600.00	$18,435.00	.....
June 23	Smith, M. W.....	500.00	.....	.....	.....	.....
	Sackrider, Chas.....	10.00	.....	.....	.....	.....
	Allen, J.....	100.00	.....	900.00	600. 26–9	.....
	Topham, J.....	20.00	.....	180.00	.....	.....
	Sutherland, D. E....	20.00	.....	.....	.....	.....
25	Wilson, H. E.....	100.00	.....	.....	.....	.....
26	Canton, Wm.....	100.00	.....	.....	.....	.....
27	Cattanach, J. F.....	40.00	.....	.....	.....	.....
	Ross, A. J.....	10.00	.....	.....	.....	.....
	Fuller, E.....	100.00	.....	.....	.....	.....
30	Marshall, Jas.....	500.00	.....	.....	.....	.....
	Ferguson, Geo.....	150.00	.....	.....	.....	.....
July 3	Murray, Jno.....	50.00	.....	.....	.....	.....
	Murray, Geo.....	100.00	.....	.....	.....	.....
	Lindsay, J. R.....	486.67	13.33	.....	.....	.....
	McCullough, R. C...	486.67	13.33	.....	.....	.....
	Bowman, Wm.....	50.00	.....	450.00	.....	.....
	Logie, Jas.....	357.00	.....	.....	.....	.....
	Peddie, Jno.....	500.00	.....	.....	.....	.....
	Peddie, Jas.....	500.00	.....	.....	.....	.....
	Lindsay, Jas.....	900.00	.....	.....	.....	.....
	Wilson, W. G.....	486.67	13.33	.....	.....	.....
	McCann, R.....	500.00	.....	.....	.....	.....
	Simpson, J. P.....	30.00	.....	.....	.....	.....
	Griffin, J. H.....	200.00	.....	.....	.....	.....
	Siple. R. A.....	20.00	.....	180.00	.....	.....
4	Hoare, Wm.....	50.00	.....	450.00	.....	.....
	Bennett, D. H.....	100.00	.....	900.00	100. 20–9	125.00
	Scott, A. P.....	20.00	.....	.....	.....	.....
	Logie, Jas.....	133.00	.....	.....	.....	.....
	Chapman, J. A.....	250.00	.....	2,250.00	.....	.....
	Bringham, Jno.....	10.00	.....	90.00	.....	.....
	Leslie, J. T.....	20.00	.....	180.00	.....	.....
	Seese, D. E.....	150.00	.....	.....	.....	.....
	Southcott, Jno.....	10.00	.....	.....	.....	.....
	Brown, R. L.....	.....	.....	5,000.00	500. 31–7	.....
	Edmonstone, Jas....	.....	.....	400.00	.....	.....
	Elliott, R. H.....	.....	.....	500.00	.....	.....
	Laird, Geo.....	.....	.....	1,000.00	.....	.....
	Kennedy, G. A.....	.....	.....	1,000.00	100. 29–8	.....
	McCallum, M.....	.....	.....	200.00	.....	.....
	Sinclair, D.....	.....	.....	500.00	.....	.....
	Cummings, A. C....	.....	.....	500.00	.....	.....
	Smith, M. W.....	.....	.....	500.00	.....	.....
6	Webb, Thos.....	100.00	.....	.....	.....	.....
	Hotson, A.....	300.00	.....	.....	.....	.....
	Moffatt, J. F.....	60.00	.....	.....	.....	.....
	Stork, I. A.....	30.00	.....	.....	.....	.....
7	MacMillan, —.....	50.00	.....	.....	.....	.....
	Richardson, T. W...	100.00	.....	900.00	.....	.....
	Standish, J. L.....	10.00	.....	90.00	.....	.....
	Near, F. S.....	30.00	.....	270.00	.....	.....
	Campbell, D.....	30.00	.....	270.00	.....	.....
		$68,428.94	$171.06	$155,310.00	$19,735.00	$125.00

			Discount	Note.	Payments on Note.	Securities
1906	Forward.....	$68,428.94	$171.06	$155,310.00	$19,735	$125.00
July 7	Hoare, Sarah.....	389.36	10.64	.....	.....	.....
	Brown, J. K.....	200.00	.....	1,800.00	.....	.....
	McDonald, J.....	20.00	.....	180.00	90. 28-8	.....
	McDonald, A.....	30.00	.....	270.00	.....	.....
	Campbell, J.....	30.00	.....	270.00	.....	.....
	Stalker, J.....	194.65	5.35	.....	.....	.....
	Devean, A. M.....	100.00	.....	.....	.....	.....
	Thomson, D.....	200.00	.....	.....	.....	.....
	Bowand, B. K.....	100.00	.....	.....	.....	.....
	Ford, T. A.....	50.00	.....	450.00	.....	.....
	Ford, M. E.....	200.00	.....	.....	.....	.....
	Robiuson, M. R.	500.00	.....	.....	.....	.....
9	Gowan, C. W.....	10.00	.....	.....	.....	.....
	Norris, Hy.....	50.00	.....	.....	.....	.....
	Elliott, Thos.....	.....	.....	1,000.00	.....	.....
	Elliott, Thos.....	.....	.....	1,000.00	.....	.....
	Aylwyn, C. S.....	.....	.....	1,000.00	.....	.....
	Robinson, Geo.....	.....	.....	2,500.00	200. 23-8	.....
	Downs, A. J.....	.....	.....	.....	50. 29-9	.....
	Ford, D. F.....	.....	.....	2,500.00	.....	.....
	Tullis, H. P.....	50.00	.....	.....	.....	.....
	O'Hagan, Jas.....	10.00	.....	.....	.....	.....
10	Chisholm, W.....	180.00	.....	.....	.....	.....
	Haydon, J. A.....	356.27	3.73	.....	.....	.....
11	Starret, M. J.....	10.00	.....	90.00	.....	.....
12	Anderson, R. K.....	300.00	.....	.....	.....	.....
	Eaton, A.....	7,500.00	.....	2,500.00	.....	.....
	Ross, A. J.....	20.00	.....	.....	.....	.....
	Simpson, R.....	1,000.00	.....	.....	.....	.....
	Simpson, M. A.....	500.00	.....	.....	.....	.....
	Phillip, A.....	200.00	.....	.....	.....	.....
	Bell, R.....	.....	.....	1,000.00	.....	.....
13	Ellis, J. S.....	20.00	.....	.....	.....	.....
13	Sinclair, W. G.....	.....	.....	.....	.....	5,550.00
14	Norris, Hy.....	100.00	.....	.....	.....	.....
	Elsley, Levi.....	200.00	.....	.....	.....	.....
	Newman, R. A.....	5,000.00	.....	.....	.....	.....
	Freeman, Helen.....	100.00	.....	.....	.....	.....
	Thompson, A.....	441.97	18.03	300.00	.....	640.00
16	MacMillan, H. L....	495.35	4.65	.....	.....	.....
	Freeman, J. G.....	90.00	.....	.....	.....	.....
	MacDonald, J. A....	50.00	.....	.....	.....	.....
	Findlay, R.....	30.00	.....	.....	.....	.....
	Rae, B.....	100.00	.....	.....	.....	.....
	Rae, A.....	100.00	.....	.....	.....	.....
	Rae, J.....	100.00	.....	.....	.....	.....
17	Storer, L. H.....	890.70	9.30	.....	.....	.....
	Dickson, Alex.....	356.27	3.73	.....	.....	.....
	Wadel, Jos.....	200.00	.....	.....	.....	.....
18	Meyer, P. V.....	100.00	.....	.....	.....	.....
	Phister, Jno.....	100.00	.....	.....	.....	.....
	Gilchrist, Alex.....	30.00	.....	.....	.....	.....
		$92,034.51	$226.49	$170,170.00	$20,075.00	$6,315.00

			Discount	Note.	Payments on Note.	Securities.
1906	Forward.....	$92,034.51	$226.49	$170,170.00	$20.075.00	$6,315.00
July 18	Sinclair, G. W.....	.....	.....	1,000.00	.....	.....
19	Parrott, H. H.....	356.28	3.72	.....	.....	.....
	Bowand, B. K.....	900.00	.....	.....	.....	.....
	Krupp, S.....	40.00	.....	.....	.....	.....
	Shoere, M. L.....	20.00	.....	.....	.....	.....
21	McClure, S.....	50.00	.....	450.00	200. 8-10	.....
	Cook, Thos.....	10.00	.....	90.00	.....	.....
	McDonald, J. A.....	100.00	.....	.....	.....	.....
23	Tolton, Jas.....	50.00	.....	.....	.....	.....
	Little, J. D.....	100.00	.....	.....	.....	.....
	Robb, E.....	50.00	.....	.....	.....	.....
	Robb, W.....	200.00	.....	.....	.....	.....
	McKechnie, J.....	98.36	1.64	.....	.....	.....
	Morrison, A.....	10.00	.....	90.00	.....	.....
	Morrison, H.....	50.00	.....	450.00	.....	.....
	Near, N. L.....	100.00	.....	900.00	.....	.....
	Murray, G.....	75.00	.....	.....	.....	.....
	Thompson, E. S.....	484.80	15.20	400.00	.....	600.00
	Amey. E. K.....	180.00	.....	.....	.....	.....
	Devean, N. M.....	.....	.....	.....	.....	19,000.00
	Krepp, S.....	.....	.....	360.00	.....	.....
24	Findlay, R.....	270.00	.....	.....	.....	.....
	Findlay, D.....	200.00	.....	.....	.....	.....
24	Stedman, N.....	$445.34	4.66	.....	.....	.....
	Handy, L. O. M.....	10.00	.....	.....	.....	.....
	Handy, E. F.....	10.00	.....	.....	.....	.....
	Elsley, L.....	300.00	.....	.....	.....	.....
25	Southcott, Jno.....	40.00	.....	.....	.....	.....
26	Wait, C.....	100.00	.....	.....	.....	.....
	Sager, S.....	100.00	.....	.....	.....	.....
27	Meyer, P. V.....	200.00	.....	.....	.....	.....
	Pfister, Jno.....	200.00	.....	.....	.....	.....
	Stork, I. A.....	35.00	.....	.....	.....	.....
	Sutherland, S. E.....	20.00	.....	.....	.....	.....
28	Tolton, Jas.....	100.00	.....	.....	.....	.....
	Appleyard, T. E.....	98.36	1.64	.....	.....	.....
	Appleyard, A.....	98.36	1.64	.....	.....	.....
	Curray, E. B.....	10.00	.....	.90	.....	90. 31-8
	Dinney, J. H.....	50.00	.....	450.00	.....	.....
	Kennedy, P. S.....	20.00	.....	180.00	.....	.....
30	Ratz, Jno.....	100.00	.....	.....	.....	.....
	Lynch, M. J.....	100.00	.....	.....	.....	.....
	Arkell, P.....	10.00	.....	.....	.....	.....
	Thomson, M.....	50.00	.....	.....	.....	.....
	Allin, J.....	50.00	.....	450.00	.....	.....
	Allin, H.....	200.00	.....	300.00	.....	.....
	Allin, W.....	200.00	.....	300.00	.....	.....
	Clement, E. P.....	50.00	.....	50.00	.....	.....
	Topham, Jno.....	50.00	.....	50.00	.....	.....
	Corliss, J. H.....	10.00	.....	90.00	.....	.....
	Gowan, C. W.....	30.00	.....	.....	.....	.....
	Burgess, C. E.....	.....	.....	100.00	.....	.....
31	Hanna, W.....	196.70	3.30	.....	.....	.....
	Wadel, J.....	450.00	.....	.....	.....	.....
	McCuaig, D.....	250.00	.....	.....	.....	.....
	Ross, A. J.....	140.00	.....	.....	.....	.....
		$99,102.71	$258.29	$176,080.90	$20,275.00	$26,005.00

			Discount	Note	Payments on Note	Securities
1906	Forward.....	$99,102.71	$258.29	$176,080.90	$20,275.00	$26,005.00
July 31	Burwell, M.....	600.00	.....	.....	.....	.....
	Burwell, E.....	1,000.00	.....	.....	.....	.....
	Baskett, S.....	30.00	.....	.....	.....	.....
Aug. 1	Arnold, Agnes.....	30.00	.....	.....	.....	.....
	Thomson, David....	280.00	.....	.....	.....	.....
	Munro, Jas.....	1,000.00	.....	.....	.....	.....
	Giddis, W. J.....	200.00	.....	.....	.....	.....
	Murray, C.....	200.00	.....	.....	.....	.....
	Brand, C. A.....	100.00	.....	.....	.....	.....
	McKay, H.....	50.00	.....	.....	.....	.....
1	Sutherland, G. A....	700.00	.....	.....	.....	.....
	McKay, A.....	50.00	.....	.....	.....	.....
	Cattanach, J. F.....	20.00	.....	.....	.....	.....
	Bridgman, T.....	10.00	.....	.....	.....	.....
	Sackrider, C.....	20.00	.....	.....	.....	.....
	Green, A. E.....	40.00	.....	.....	.....	.....
	Kennedy, T. W.....	10.00	.....	90.00	.....	.....
	Denney, Margaret...	50.00	.....	450.00	.....	.....
	Watson, Jno.....	50.00	.....	450.00	.....	.....
	Lindsay, Duncan F..	50.00	.....	450.00	.....	.....
	Moffatt, J. F.....	150.00	.....	.....	.....	.....
	Webb, Thos.....	500.00	.....	.....	.....	.....
	Harris, W.....	.....	.....	500.00	.....	.....
2	Bradshaw, J. L.....	150.00	.....	.....	.....	.....
	Smith, A. E.....	40.00	.....	.....	.....	.....
	Little, J. D.....	300.00	.....	.....	.....	.....
	Augustine, A. W....	60.00	.....	.....	.....	.....
	Macdonald, J. A....	350.00	.....	.....	.....	.....
3	Armstrong, R. W....	10.00	.....	.....	.....	.....
	Storms, F. B.....	200.00	.....	.....	.....	.....
	Watt, J. A.....	30.00	.....	.....	.....	.....
	Simpson, J. P.....	30.00	.....	.....	.....	.....
	O'Hagan, J. M.....	10.00	.....	.....	.....	.....
4	Page, G. L.....	100.00	.....	.....	.....	.....
	Rae, Jas.....	200.00	.....	.....	.....	.....
	Rae, Alex.....	200.00	.....	.....	.....	.....
	Rae, Beky.....	200.00	.....	.....	.....	.....
	Cartwright, Jno.....	1,000.00	.....	.....	.....	.....
	Austin, M. F.....	200.00	.....	.....	.....	.....
	Austin, M. J.....	200.00	.....	.....	.....	.....
	Golding, Hy.....	100.00	.....	900.00	400. 16-8 500. 7-9	.....
	Kenney, L. B.....	40.00	.....	360.00	.....	.....
	Robertson, D. J.....	900.00	.....	.....	.....	.....
	Robertson, H.....	450.00	.....	.....	.....	.....
	Weir, A.....	20.00	.....	.....	.....	.....
7	Gilchrist, A.....	80.00	.....	.....	.....	.....
	Thomson, M.....	100.00	.....	.....	.....	.....
	Paterson, W. A.....	100.00	.....	.....	.....	.....
	Southcott, Jno.....	50.00	.....	.....	.....	.....
	Sager, Sarah.....	900.00	.....	.....	.....	.....
	McLennan, R. B....	1,000.00	.....	.....	.....	.....
	Norris, Hy.....	350.00	.....	.....	.....	.....
	Copeland, E. M.....	50.00	.....	.....	.....	.....
	Appleyard, Albert, Sr.	500.00	.....	.....	.....	.....
	Lindsay, Jessie E...	100.00	.....	.....	.....	.....
	Shreve, M. L.....	100.00	.....	.....	.....	.....
	Gillson, Thos.....	50.00	.....	.....	.....	.....
	Monkman, J. A.....	600.00	.....	.....	.....	.....
	Tullis, H. P.....	150.00	.....	.....	.....	.....
8	Chisholm, L. W.....	20.00	.....	.....	.....	.....
		$113,202.71	$258.29	$176,400.90	$21,175.00	$26,005.00

			Discount	Note	Payments on Note	Securities
1906	Forward.....	$113,202.71	$258.29	$176,400.90	$21,175.00	$26,105.00
Aug. 8	Davis, C. G.....	300.00	.....	.....	.....	.....
	Collins, S. D.....	10.00	.....	.....	.....	.....
	MacMillan, D. A....	50.00	.....	.....	.....	.....
9	Coulson, Jno.....	100.00	.....	.....	.....	.....
	Seese, D. E.....	150.00	.....	.....	.....	.....
	Doecker, A. F.....	30.00	.....	.....	.....	.....
	Barnum, W. H.....	10.00	.....	.....	.....	.....
	Bolier, J.....	10.00	.....	.....	.....	.....
	Clay, C. B.....	10.00	.....	.....	.....	.....
	Watkins, J.....	10.00	.....	.....	.....	.....
	Fitch, W.....	10.00	.....	.....	.....	.....
	Burwell, S. E.....	20.00	.....	.....	.....	.....
	Barness, M.....	100.00	.....	.....	.....	.....
10	Husband, G. E.....	.....	.....	1,000.00	100. 6-9	.....
	Horn, T.....	.....	.....	100.00	10. 13-9	.....
	Husband, R. W.....	.....	.....	1,000.00	100. 6-9	.....
	Wetham, S. F.....	.....	.....	2,000.00	.....	.....
11	Shaver, A. R.....	100.00	.....	.....	.....	.....
	Shaver, W. J.....	200.00	.....	.....	.....	.....
13	Graham, W. A.....	30.00	.....	.....	.....	.....
	Bobier, Rich.....	100.00	.....	.....	.....	.....
	Ferguson, Geo.....	1,350.00	.....	.....	.....	.....
14	Whitney, W. P.....	20.00	.....	.....	.....	.....
	Wait, C.....	900.00	.....	.....	.....	.....
	Wilson, I.....	20.00	.....	.....	.....	.....
	Bobier, Jos.....	500.00	.....	.....	.....	.....
	Hicks, Hy.....	.....	.....	.....	1,000.00	100. 6-10
16	Shaver, W. J.....	1,800.00	.....	.....	.....	.....
	Foster, Thos.....	30.00	.....	.....	.....	.....
	Hazel, Horace.....	.....	.....	500.00	50. 18-9	.....
	Irving, W. A.....	.....	.....	500.00	50. 20-9	.....
17	Dewar, Duncan.....	50.00	.....	.....	.....	.....
	Murray, Geo.....	410.83	.....	.....	.....	.....
	Gillson, Thos.....	450.00	.....	.....	.....	.....
	Shaver, A. R.....	200.00	.....	.....	.....	.....
	Townsend, Josiah...	100.00	.....	.....	.....	.....
	Nixon, J. F.....	200.00	.....	.....	.....	.....
18	McKerkie, M.....	4,000.00	.....	.....	.....	.....
	Gow, P.....	30.00	.....	.....	.....	.....
	Bobier, D.....	200.00	.....	.....	.....	.....
	Stafford, W.....	60.00	.....	.....	.....	.....
	Cameron, J. A.....	10.00	.....	.....	.....	.....
	Green, A. E.....	80.00	.....	.....	.....	.....
	Garner, T.....	50.00	.....	450.00	.....	.....
	Burtch, D.....	400.00	.....	.....	.....	.....
	Burtch, J.....	200.00	.....	.....	.....	.....
	Hartman, C. H.....	.....	.....	200.00	20. 18-10	.....
	Dearing, J.....	.....	.....	100.00	10. 25-9	.....
20	Kirkpatrick, W.....	10.00	.....	90.00	.....	.....
	Thompson, A. S.....	200.00	.....	.....	.....	.....
	Morrison, L.....	200.00	.....	.....	.....	.....
	McKee, G.....	100.00	.....	.....	.....	.....
	Chapman, H. H.....	45.00	.....	.....	.....	.....
	Wilson, W. & H.....	120.00	.....	.....	.....	.....
23	Docker, A. F.....	270.00	.....	.....	.....	.....
	Tolton, Jas.....	50.00	.....	.....	.....	.....
	Collins, D. D.....	90.00	.....	.....	.....	.....
	Telford.....	200.00	.....	.....	.....	.....
25	Wilson, H. E.....	350.00	.....	.....	.....	.....
	Cattanach, J. F.....	40.00	.....	.....	.....	.....
	McGeachy, J. A.....	40.00	.....	.....	.....	.....
		$127,217.71	$258.29	$182,340.00	$22,515.00	$26,105.00

			Discount	Note	Payments on Note	Securities
1906	Forward.....	$127,217.71	258.29	$182,340.90	22,515.00	26,105.00
Aug. 25	Paterson, L.....	300.00	.....	.....	.....	.....
	Alexander, J.....	800.00	.....	.....	.....	.....
	Wood, W. S.....	100.00	.....	.....	.....	.....
	Wilkinson, G. H....	.....	.....	100.00	.....	.....
27	Thomson, D.....	1,000.00	.....	.....	.....	.....
	Thomson, M.....	350.00	.....	.....	.....	.....
	Bennett, W. J.....	50.00	.....	.....	.....	.....
28	McKay, A.....	50.00	.....	.....	.....	.....
	Little, J. D.....	100.00	.....	.....	.....	.....
29	McCallum, D.....	20.00	.....	.....	.....	.....
30	Preston, B. C.....	50.00	.....	.....	.....	.....
	Wettlaufer, J. B. R.	20.00	.....	180.00	.....	.....
	Arkell, P.....	50.00	.....	.....	.....	.....
	Gowan, C. W.....	60.00	.....	.....	.....	.....
	Handy, L. O. M.....	60.00	.....	.....	.....	.....
	Handy, E. F. T.....	10.00	.....	.....	.....	.....
31	Chisholm, L. W.....	10.00	.....	.....	.....	.....
	Brand, C. A.....	350.00	.....	.....	.....	.....
31	Geddes, W. J.....	700.00	.....	.....	.....	.....
	Murray, C.....	700.00	.....	.....	.....	.....
	McKay, H.....	50.00	.....	.....	.....	.....
	Hollinrake, C. E...	200.00	.....	.....	.....	.....
	Baskett, S.....	40.00	.....	.....	.....	.....
Sept. 1	O'Hagan, Jas.....	10.00	.....	.....	.....	.....
	Meyer, P. V.....	100.00	.....	.....	.....	.....
	Pfister, Jno.....	100.00	.....	.....	.....	.....
	Fitcher, Wm.....	90.00	.....	.....	.....	.....
	McLennan, R. R....	500.00	.....	.....	.....	.....
4	Bobier, A. F.....	200.00	.....	.....	.....	.....
	Ratz, Jno.....	100.00	.....	.....	.....	.....
	Bowley, Jas.....	400.00	.....	.....	.....	.....
	Sutherland, E. S...	160.00	.....	.....	.....	.....
	Sackrider, C.....	10.00	.....	.....	.....	.....
	Simpson, J. P.....	30.00	.....	.....	.....	.....
	Green, A. E.....	160.00	.....	.....	.....	.....
	Koehler, E.....	40.00	.....	.....	.....	.....
	Bobier, S. J.....	100.00	.....	.....	.....	.....
	Bobier, Jas.....	20.00	.....	.....	.....	.....
5	Noble, R.....	2,700.00	.....	.....	.....	.....
	Lynch, M. J.....	350.00	.....	.....	.....	.....
	Rae, Jas.....	700.00	.....	.....	.....	.....
	Murray, Jas.....	200.00	.....	.....	.....	.....
	Arnold, Agnes.....	30.00	.....	.....	.....	.....
	Whitney, J. P.....	50.00	.....	.....	.....	.....
	McCallum, D.....	180.00	.....	.....	.....	.....
	Fowler, G. S.....	100.00	.....	.....	.....	.....
7	McMillan, D. A.....	50.00	.....	.....	.....	.....
	Robb, Wm.....	200.00	.....	.....	.....	.....
8	Burland, G. B., in trust.....	2,000.00	.....	.....	.....	.....
	Copeland, E. M.....	50.00	.....	.....	.....	.....
10	Murray, G.....	14.17	.....	.....	.....	.....
	Wilson, Isabella.....	20.00	.....	.....	.....	.....
	Rae, A.....	700.00	.....	.....	.....	.....
	Rae, Betsy.....	100,00	.....	.....	.....	.....
	Davis, C. G.....	700.00	.....	.....	.....	.....
13	Copeland, E. M.....	300.00	.....	.....	.....	.....
	McCallum.....	100.00	.....	.....	.....	.....
	Taylor, G. E.....	50.00	.....	.....	.....	.....
	Bobier, H.....	100.00	.....	.....	.....	.....
		$143,001.71	$258.29	$182,620.90	$22,515.00	$26,105.00

			Discount	Note	Payments on Note	Securities
1906	Forward.....	$143,001.71	$258.29	$182,620.90	$22,515.00	$26,105.00
Sept. 13	Anderson, Martha...	20.00	.....	.....	.....	.....
	Bobier, A. F.....	300.00	.....	.....	.....	.....
	Taylor, G. E.....	.....	.....	450.00	.....	.....
15	McGeachy, Jno. W..	360.00	.....	.....	.....	.....
	Tullis, H. P.....	50.00	.....	.....	.....	.....
17	Bridgman, B.....	25.00	.....	.....	.....	.....
	Preston, B. C.....	450.00	.....	.....	.....	.....
18	Smith, A. E.....	320.00	.....	.....	.....	.....
	Mitchell, J. T.....	10.00	.....	90.00	.....	.....
20	Burwell, E.....	9,000.00	.....	.....	.....	.....
	Bradshaw, J. L.....	50.00	.....	.....	.....	.....
22	McIntyre, C. A.....	20.00	.....	.....	.....	.....
	Bobier, S. J.....	100.00	.....	.....	.....	.....
	Bobier, Jas.....	70.00	.....	.....	.....	.....
	Strong, G. V.....	10.00	.....	.....	.....	.....
24	Bobier, Hattie.....	50.00	.....	.....	.....	.....
25	Cook, Ed.....	30.00	.....	.....	.....	.....
	Cook, Rich.....	20.00	.....	.....	.....	.....
	Gilchrist Alex.....	30.00	.....	.....	.....	.....
	Cattanach, J. F.....	40.00	.....	.....	.....	.....
26	Gregg, S. J.....	70.00	.....	.....	.....	.....
	Barnum, W.H.....	30.00	.....	.....	.....	.....
27	Stork, I. A.....	35.00	.....	.....	.....	.....
28	Handy, E. F. T.....	50.00	.....	.....	.....	.....
	Rae, Betsy.....	600.00	.....	.....	.....	.....
	Ross, A. J.....	40.00	.....	.....	.....	.....
	Hirst, E.....	1,000.00	.....	.....	.....	.....
	Stewart, Jno.....	200.00	.....	.....	.....	.....
	Elliott, J. W.....	50.00	.....	.....	.....	.....
29	Bobier, Hattie.....	450.00	.....	.....	.....	.....
	Shaver, A. R.....	700.00	.....	.....	.....	.....
	Cunningham, Lizzie.	300.00	.....	.....	.....	.....
	Coulson, Maggie....	100.00	.....	.....	.....	.....
	Elsley, C. A.....	250.00	.....	.....	.....	.....
	Menzie, R. L.....	100.00	.....	.....	.....	.....
	Menzie, Wm.....	.....	.....	100.00	.....	.....
	Weir, Eliza W.....	.....	.....	500.00	.....	.....
Oct. 1	Miller, J.....	50.00	.....	.....	.....	.....
	Chisholm, L. W.....	10.00	.....	.....	.....	.....
	Ratz, Jno.....	100.00	.....	.....	.....	.....
	Brush, H. D.....	50.00	.....	.....	.....	.....
	Brush, H. D.....	40.00	.....	.....	.....	.....
	O'Hagan, Jas.....	10.00	.....	.....	.....	.....
	Armstrong, R. W....	30.00	.....	.....	.....	.....
	Sprowl, Mrs. Wm...	300.00	.....	.....	.....	.....
	Sprowl, Wm.....	300.00	.....	.....	.....	.....
2	Arnold, Agnes.....	210.00	.....	.....	.....	.....
	Turner, James.....	10.00	.....	.....	.....	.....
	Pfister, Jno.....	100.00	.....	.....	.....	.....
	Meyer, P. V.....	100.00	.....	.....	.....	.....
	McLennan, R. R.....	500.00	.....	.....	.....	.....
	Foster, Thomas.....	30.00	.....	.....	.....	.....
	Tubby, E. H.....	100.00	.....	.....	.....	.....
	Bennett, Wm. J.....	50.00	.....	.....	.....	.....
3	Stevens, F. P.....	200.00	.....	.....	.....	.....
	Cairns, S.....	200.00	.....	.....	.....	.....
	Simpson, J. P.....	30.00	.....	.....	.....	.....
5	Miller, J.....	450.00	.....	.....	.....	.....
	Paterson, W. W.....	100.00	.....	.....	.....	.....
	Sackrider, Chas.....	10.00	.....	.....	.....	.....
	Thomson, David....	200.00	.....	.....	.....	.....
		$161,111.71	$258.29	$183,760.90	$22,515.00	$26,105.00

			Discount	Note	Payments on Note	Securities
1906	Forward.....	$161,111.71	$258.29	$183,760.90	$22,515.00	$26,105.00
Oct. 5	Walkins, Jas.....	90.00	.....	.....	.....	.....
	Hanley, Jno.....	100.00	.....	.....	.....	.....
6	McKay, H.....	50.00	.....	.....	.....	.....
	McKay, Alex.....	50.00	.....	.....	.....	.....
	Murray, Geo.....	900.00	.....	.....	.....	.....
	Murray, Jno.....	450.00	.....	.....	.....	.....
	Burwell, S. E.....	180.00	.....	.....	.....	.....
	Hollinrake, C. E....	50.00	.....	.....	.....	.....
8	Newman, W. T.....	50.00	.....	.....	.....	.....
	McMillan, D. A.....	50.00	.....	.....	.....	.....
	Tolton, Jas.....	50.00	.....	.....	.....	.....
	McClure, S.....	.....	.....	500.00	.....	.....
10	Hotson, A.....	150.00	.....	.....	.....	.....
	Stair, F. W.....	1,000.00	.....	9,000.00	.....	.....
	Bastedo, Ida W.....	50.00	.....	.....	.....	.....
	Ford, James.....	20.00	.....	180.00	.....	.....
	Gilchrist, Alex.....	30.00	.....	.....	.....	.....
	Haist, A.....	400.00	.....	.....	.....	.....
	Haist, A.....	600.00	.....	.....	.....	.....
	Snelgrove, E. W.....	.....	.....	1,000.00	.....	.....
12	Munro, Col. J.....	2,000.00	.....	.....	.....	.....
13	Tullis, H. P.....	50.00	.....	.....	.....	.....
	Bobier, J. & J.....	500.00	.....	.....	.....	.....
19	McCurdy, Robert...	100.00	.....	.....	.....	.....
	McIntyre, Duncan..	100.00	.....	.....	.....	.....
	Wilson, Isabella.....	20.00	.....	.....	.....	.....
22	Freeman, J. G.....	110.00	.....	.....	.....	.....
23	Stafford, Wm.....	20.00	.....	.....	.....	.....
	Brill, S. R.....	200.00	.....	.....	.....	.....
23	Totals.....	$168,581.71	$258.29	$194,440.90	$22,515.00	$26,105.00
	Less.					
	Gibson, J. L., Refund..... 20	.....	.....	.....	.....	.....
	Haist, A. G.. Overpayment.600	.....	.....	.....	.....	.....
	Boivin..... 20	.....	.....	.....	.....	.....
	Casey, Cancelled Stock..... 25	.....	.....	.....	.....	.....
		665.00	.....	.....	.....	.....
	Totals.....	$167,916.71	$258.29	$194,440.90	$22,515.00	$26,105.00
Nov. 2	Baskett, Miss S.....	30.00	.....	.....	.....	.....
	McLennan, R. R.....	500.00	.....	.....	.....	.....
6	Simpson, J. P.....	30.00	.....	.....	.....	.....
	Bennett, W. J.....	50.00	.....	.....	.....	.....
7	MacMillan, D. A.....	50.00	.....	.....	.....	.....
	Brush, H. D.....	20.00	.....	.....	.....	.....
15	O'Hagan, Jas.....	10.00	.....	.....	.....	.....
	Tullis, H. P.....	50.00	.....	.....	.....	.....
16	Burgess, C. E.....	10.00	.....	.....	.....	.....
	Latch, Emma.....	800.00	.....	.....	.....	.....
22	Wood, W. R.....	10.00	.....	.....	.....	.....
	Hunter, W. H.....	10.00	.....	.....	.....	.....
	Wilson, Mrs. M. E. (Retd.).....	500.00	.....	.....	.....	.....
	Lindsay, W. J.....	500.00	.....	.....	.....	.....
	Travers, W. R.....	500.00	.....	.....	.....	.....
	Lown, A. S.....	10.00	.....	.....	.....	.....
	Gallagher, Jas.....	10.00	.....	.....	.....	.....
		$171,006.71	$258.29	$194,440.90	$22,515.00	$26,105.00

1906			Discount	Note	Payments on Note	Securities
	Forward.....	$171,006.71	$258.29	$194,440.90	$22,515.00	$26,105.00
Nov. 24	Symons, W. L.....	100.00	.....	.....	.....	.....
	Parmenter, L. S.....	30.00	.....	.....	.....	.....
27	Richardson, Geo....	10.00	.....	.....	.....	.....
	Linton, Adam.....	100.00	.....	.....	.....	.....
26	Totals.....	$171,240.71	$258.29	$194,440.90	$22,515.00	$26,105.00
Dec. 3	Bennett, W. J.....	50.00	.....	.....	.....	.....
	McLennan, R. R.....	500.00	.....	.....	.....	.....
	Gilchrist, Jno.....	300.00	.....	.....	.....	.....
	Ross, A. J.....	40.00	.....	.....	.....	.....
5	Hammill, Dr. W. E..	100.00	.....	.....	.....	.....
	Vise, Jacob.....	100.00	.....	.....	.....	.....
	Brush, H. D.....	20.00	.....	.....	.....	.....
6	Simpson, J. P.....	30.00	.....	.....	.....	.....
	O'Hagan, Jas.....	10.00	.....	.....	.....	.....
7	McClure, S.....	50.00	.....	.....	.....	.....
	Nesbitt, W. B.....	5,000.00	.....	.....	.....	.....
14	Fulton, Velma.....	60.00	.....	.....	.....	.....
	Tolton, Jas.....	250.00	.....	.....	.....	.....
	MacMillan, D. A ...	50.00	.....	.....	.....	.....
	Foster, Thos.....	120.00	.....	.....	.....	.....
	Munro, Jas.....	1,750.00	.....	.....	.....	.....
	Sackrider, Chas.....	20.00	.....	.....	.....	.....
17	Gow, Peter.....	40.00	.....	.....	.....	.....
	Cooke, R.....	80.00	.....	.....	.....	.....
	Hotson, Alex.....	300.00	.....	.....	.....	.....
	Anderson, Martha...	80.00	.....	.....	.....	.....
20	Davidson, J. A	50.00	.....	.....	.....	.....
	Arkell, P., Sr.....	30.00	.....	.....	.....	.....
	Cooke, E.....	270.00	.....	.....	.....	.....
	Armstrong, R. W....	50.00	.....	.....	.....	.....
	Shreve, Mary L.....	40.00	.....	.....	.....	.....
	Ratz, J.....	300.00	.....	.....	.....	.....
	McDonald, A.....	100.00	.....	.....	.....	.....
	Watt, J. A.....	60.00	.....	.....	.....	.....
21	Patterson, W. A.....	100.00	.....	.....	.....	.....
22	Stewart, Jas.....	100.00	.....	.....	.....	.....
	Little, J. D.....	100.00	.....	.....	.....	.....
24	Parmenter, L. D....	10.00	.....	.....	.....	.....
	Robb, Wm.....	1,400.00	.....	.....	.....	.....
	Noble, Robt.....	140.00	.....	.....	.....	.....
	Whyte, Jno.....	30.00	.....	.....	.....	.....
	Turner, Jas.....	90.00	.....	.....	.....	.....
1906 Dec. 31	Totals.....	$179,066.71	$258.29	$194,440.00	$22,515.00	$26,105.00
	Less Tullis cheque returned.....	50.70	.....	.....	.....	.....
	Net amount.....	$179,016.00	$258.29	$194,440.90	$22,515.00	$26,105.00

THE FARMERS' BANK OF CANADA

STOCKS AND BONDS

1906				
July 14	Dominion Permanent			
	From W. G. Sinclair		$5,550.00	
	" A. Thompson		640.00	
23	Devean		19,000.00	
	E. S. Thompson		600.00	
Sept. 20	Bennett, D. H.		125.00	
				$25,915.00

THE FARMERS' BANK OF CANADA

STOCK COMMISSIONS

			Smith	Travers	Fraser	Lown
1905						
Jan. 21			$275.00			
25			50.00			
Feb. 2			35.00			
6			60.00			
7			85.00			
Mar. 8	Proctor	$ 20.00				
10			10.00			
13	Proctor, H. H. A. Advertising	20.00				
Apr. 7			90.00			
19	Bean	50.00				
22	"	50.00				
June 7			35.00			
Aug. 1			250.00			
Sept. 5			336.00			
18			271.00			
9	Browning, J.P. Adv.	200.00				
9	Bean, J. G., Adv.	20.00				
25	Steckle, A., Adv.	20.00				
26			95.00			
Oct. 2	Bean, J. G.	12.00				
5			125.00			
6	Bean, J. G., Adv.	15.00				
9	Bean, J. G., Adv.	13.00				
21			74.00			
30	Browning, J. P.	50.00				
Nov. 24	Simpson & Morse	75.00				
			25.00			
1906						
Jan. 4			100.00			
8			50.00			
Mar. 5	Durand	25.00				
20				$250.00		
20			300.00			
28			5.00	2.50		
Apr. 3				280.00		
3				92.50		
16			100.00			
19				5.00		
25	Durand	170.00				
26				200.00		
28	McSween	10.00				
		25.00				
30	Durand	30.00				
		40.00				
May 3			175.00		$ 50.00	
5					80.00	
		$845.00	$2,546.00	$830.00	$130.00	$1,114.50

1906			Smith	Travers	Fraser	Lown
	Forward.....	$845.00	$2,546.00	$ 830.00	$130.00	$1,114.50
May 7	.....	.....	.....	1,960.00	.....	.....
7	.....	.....	1,114.50	.....	.....	.....
7	.....	.....	.....	.....	.....	.....
9	Sutherland.....	50.00	.....	.....	.....	.....
11	.....	.....	.....	.....	50.00	.....
12	.....	.....	10.00	.....	.....	.....
14	.....	.....	10.00	.....	.....	.....
18	.....	.....	2.50	.....	.....	.....
14	Urquhart.....	50.00	.....	.....	.....	.....
14	.....	.....	55.00	.....	.....	.....
14	.....	.....	.....	550.00	.....	.....
19	.....	.....	.....	.....	100.00	.....
21	.....	.....	.....	.....	100.00	.....
22	Richardson, a/c. Urquhart.....	86.00	.....	.....	.....	.....
22	Durand a/c Smith...	.....	50.00	.....	.....	.....
23	.....	.....	500.00	.....	.....	.....
23	.....	.....	.....	3,000.00	.....	.....
23	.....	.....	.....	.....	20.00	.....
26	.....	.....	.....	.....	50.00	.....
28	Durand a/c Smith...	.....	25.00	.....	.....	.....
June 1	Durand a/c Smith...	.....	80.00	25.00	30.00	.....
2	Richardson a/c Urquhart.....	40.00	.....	.....	.....	.....
5	.....	.....	.....	1,805.00	.....	.....
8	.....	.....	.....	.....	20.00	.....
9	Durand a/c Smith...	.....	125.00	.....	.....	.....
9	Durand a/c Smith...	.....	50.00	.....	.....	.....
9	McSween a/c Smith.	.....	15.00	.....	.....	.....
12	Hawkins a/c Smith..	.....	5.00	.....	.....	.....
20	.....	.....	.....	.....	250.00	.....
19	Richardson a/c Urquhart.....	25.00	.....	.....	.....	.....
	Durand a/c Smith...	.....	60.00	.....	.....	.....
	Cornell a/c Travers.	.....	.....	25.00	.....	.....
23	.....	.....	.....	50.00	.....	.....
23	Richardson a/c Urquhart.....	151.00	.....	.....	.....	.....
26	McSween a/c Smith.	.....	10.00	.....	.....	.....
July 2	Sutherland a/c Smith	.....	75.00	.....	.....	.....
3	Richardson a/c Urquhart.....	16.00	.....	.....	.....	.....
3	.....	.....	387.50	.....	.....	.....
4	.....	.....	.....	25.00	.....	.....
4	McTavish a/c Smith	.....	5.00	.....	.....	.....
5	Durand a/c Smith...	.....	130.00	.....	.....	.....
5	.....	.....	125.00	1,500.00	.....	.....
5	Browning a/c Travers	.....	.....	5.00	.....	.....
7	W. Morrison a/c Travers	.....	.....	195.00	.....	.....
7	W. A. McMaster a/c Travers	.....	.....	150.00	.....	.....
9	White a/c Travers...	.....	.....	5.00	.....	.....
9	McClelland a/c Travers	.....	.....	25.00	.....	.....
9	Cornell a/c Travers.	.....	.....	10.00	.....	.....
16	Cornell a/c Travers.	.....	.....	90.00	.....	.....
16	Fraser	.....	.....	.....	50.00	.....
19	MacDonald a/c Travers	.....	.....	50.00	.....	.....
19	McMaster a/c Travers	.....	.....	165.00	.....	.....
23	Morrison a/c Travers	.....	.....	132.50	.....	.....
		$1,263.00	$5,380.50	$10,597.50	$800.00	$1,114.50

1906			Smith	Travers	Fraser	Lown
	Forward	$1,263.00	$5,380.50	$10,597.50	$800.00	$1,114.50
July 23	McMaster a/c Travers	.....	.....	75.00	.....	.....
24	Haydon a/c Travers	.....	.....	125.00	.....	.....
21	Madill a/c Travers	.....	.....	125.00	.....	.....
21	Cornell a/c Travers	.....	.....	225.00	.....	.....
30	Richardson a/c Urquhart	152.00	.....	.....	.....	.....
31	White a/c Travers	.....	.....	85.00	.....	.....
Aug. 1	Browning a/c Travers	.....	.....	20.00	.....	.....
4	White a/c Travers	.....	.....	10.00	.....	.....
4	Richardson a/c Urquhart	144.00	.....	.....	.....	.....
4	White a/c Travers	.....	.....	25.00	.....	.....
Aug. 9	Kerr a/c Travers	.....	.....	20.00	.....	.....
11	McCorquodale a/c "	.....	.....	80.00	.....	.....
14	McMaster a/c "	.....	.....	30.00	.....	.....
14	Kerr a/c "	.....	.....	25.00	.....	.....
27	Richardson a/c Urquhart	8.00	.....	.....	.....	.....
27	Shaw a/c Travers	.....	.....	150.00	.....	.....
27	Morrison a/c "	.....	.....	230.00	.....	.....
27	Browning a/c "	.....	.....	20.00	.....	.....
27	Kerr a/c "	.....	.....	15.00	.....	.....
27	Cornell a/c "	.....	.....	25.00	.....	.....
Sept. 13	Kerr, G. a/c "	.....	.....	75.00	.....	.....
13	Richardson a/c Urquhart	40.00	.....	125.00	.....	.....
13	Macorquodale a/c Travers	.....	.....	50.00	.....	.....
20	Smith a/c "	.....	.....	217.50	.....	.....
20	White a/c "	.....	.....	450.00	.....	.....
25	Macorquodale a/c "	.....	.....	50.00	.....	.....
27	McSween a/c "	.....	.....	25.00	.....	.....
Oct. 1	Morrison a/c "	.....	.....	15.00	.....	.....
1		.....	.....	25.00	.....	.....
2	Kerr, G. a/c "	.....	.....	50.00	.....	.....
10	Macorquodale a/c "	.....	.....	25.00	.....	.....
13	Kerr a/c "	.....	.....	25.00	.....	.....
13	.....	.....	.....	100.00	.....	.....
Oct. 23		$1,607.00	$5,380.50	13,115.00	$800.00	$1,114.50
	Less.					
	Browning 200	.....	.....	.....	.....	.....
	Smith	.....	400.00	.....	.....	.....
	Steckle 20	.....	.....	.....	.....	.....
	Bean 60	280.00	.....	.....	.....	.....
	Net Amount ..... (Total $21,337.00)	$1,327.00	$4,980.50	$13,115.00	$800.00	$1,114.50
Oct. 31	.....	.....	.....	150.00	.....	.....
Nov. 1	.....	.....	.....	50.00	.....	.....
1	Kerr, G.	65.00	.....	.....	.....	.....
12	.....	.....	.....	250.00	.....	.....
12	Richardson, G.	64.00	.....	.....	.....	.....
17	.....	.....	.....	25.00	.....	.....
21	.....	.....	.....	1,000.00	.....	.....
24	.....	.....	.....	1,000.00	.....	.....
24	Richardson, G.	80.00	.....	.....	.....	.....
Nov. 26	..... (Total $24,021.00)	$1,536.00	$4,980.50	15,590.00	$800.00	$1,114.50
Dec. 4	Macorquodale, D. S.	750.00	.....	.....	.....	.....
6	Lindsay, W. J.	10,000.00	.....	.....	.....	.....
7	.....	.....	.....	5,000.00	.....	.....
7	Lindsay, W. J.	1,000.00	.....	.....	.....	.....
7	.....	.....	.....	.....	.....	300.00
19	.....	.....	.....	1,800.00	.....	.....
Dec. 31	..... (Total $42,871.00)	$13,286.00	$4,980.50	$22,390.00	$800.00	$1,414.50

THE FARMERS BANK OF CANADA

1905 DIRECTORS

Jan	21	Smith		$200.00
		Lown		192.00
		Ferguson		80.00
		Fraser		80.00
		Watson		125.00
		Gallagher		162.00
Feb.	9	Ferguson		40.00
		Lown		96.00
		Gallagher		81.00
		Watson		75.00
		Smith		100.00
		Fraser		40.00
May	2	Fraser		30.00
		Ferguson		30.00
		Watson		75.00
		Gallagher		78.30
		Lown		30.00
Nov.	7	Lown		10.00
		Ferguson		10.00
		Fraser		10.00
		Gallagher		26.10
		Watson		25.00
1906				
Mar.	10	Fraser		10.00
		Ferguson		10.00
		Watson		25.00
		Lown		10.00
Apr.	3	Watson		50.00
		Lown		20.00
		Fraser		20.00
		Ferguson		20.00
July	4		$ 2,500.00	
			2,500.00	
			3,000.00	
			2,000.00	
				10,000.00
				$11,760.40

THE FARMERS BANK OF CANADA

DISCOUNT ADVANCE PAYMENTS

Mar.	9	Lathrop, F. R.	$ 2.50
May	14	Foster, Jos.	7.00
		Foster, J.	2.30
June	28	Harris, M. A.	3.26
July	7	Gastle, G.	21.00
Aug.	7	Appleyard, A.	8.30
		Lindsay, J. E.	1.64
		Monkman, J. A.	9.80
	13	Ferguson, G.	14.00
		Wait, C.	16.00
	16	Shaver, W. J.	32.65
		Golding, H.	8.00
	17	Townsend, G.	1.65
		Nixon, J.	3.28
	20	Thomson, A.	3.28
		Morrison, L.	3.28
	30	Gowan, O. W.	1.40
Sept.	7	Golding, H.	16.65
	10	Murray, G.	4.67
	13	Copeland, E. M.	4.67
	17	Preston, B. C.	10.50
	24	McCallum, F.	16.33
	28	Hurch, E.	16.33
	29	Bobier, H.	8.20
		Shaver, A. R.	16.34
Oct.	1	Sprowl, W.	5.00
		Sprowl, Mrs. W.	5.00
	5	Miller, J.	8.16
	19	McCurdy, R.	1.64
	23	Brill, S. R.	3.26
		Add	
		Discount as per Schedule "2"	258.29
			$514.38

THE FARMERS BANK OF CANADA

STATIONERY

1905			
Feb.	9	J. Sutherland	$ 29.25
Mar.	14	Grand & Toy	80.45
Apr.	19	Alexander & Cable	10.00
		Davis & Henderson	13.00
		Irvine, Graham & Harrop	111.25
June	2	Carswell & Co.	4.65
Nov.	7	J. W. Sutherland	8.00
1906			
May	15	Traders Bank	3.00
June	6	Alexander & Cable	30.00
	19	Copeland Chatterson Co.	59.78
Oct.	23		349.38
Dec.	5	O. B. Stanton & Co.	46.28
		Total	$395.66

THE FARMERS BANK OF CANADA

FURNITURE

Feb.	9	Townsend & Co., Desk	$12.00
Mar.	10	Office Specialty Co.	101.35
Apr.	19	J. Kay & Son	20.00
		United Typewriter Co.	121.00
May	9	Adams Furniture Co.	40.30
June	18	J. Kay & Son	33.00
		Total	$327.65

THE FARMERS BANK OF CANADA

Petty Cash

1905	
Mar. 6	$ 50.00
Feb. 17	25.00
July 4	25.00
Oct. 6	25.00
1906	
Mar. 26	25.00
Apr. 4	25.00
" 16	25.00
" 20	25.00
May 22	25.00
Aug. 2	25.00
Oct. 13	5.00
Oct. 23	$280.00
Oct. 31	15.00
Nov. 24	25.00
Total	$320.00

THE FARMERS BANK OF CANADA.

A. S. Lown.

1905	
Aug. 16	$ 50.00
Aug. 28	50.00
Sept. 11	50.00
Sept. 26	50.00
Oct. 9	50.00
Nov. o7	50.00
Nov. 24	25.00
Dec. 4	50.00
Dec. 11	25.00
Dec. 30	25.00
1906	
Jan. 6	25.00
Feb. 10	10.00
Feb. 23	100.00
Total	$560.00

THE FARMERS BANK OF CANADA.

J. P. Browning.

1905	
Dec. 27	$ 24.36
1906	
Jan. 29	24.73
Feb. 28	39.38
May 7	50.00
May 29	48.65
Total	$187.12

THE FARMERS BANK OF CANADA.

Solicitors' Fees.

1905			
Feb.	18	Charter	$216.40
April	7	Lown's trip to Ottawa	25.00
April	10	Lown's trip to Ottawa re Charter	35.00
April	19	Smith & Johnston re Charter	150.00
June	22	Lown	100.00
1906			
April	18	Urquhart	211.90
April	4	Lown	100.00
July	26	Lown a-c Smith & Johnston	200.00
			1,038.30
Nov.	1	Watson Smoke & Smith	260.00
			1,298.30
Dec.	4	Masten & Co.	10.00
		Guthrie & Pringle	110.00
Dec.	6	Hunter & Hunter	250.00
		Total	$1,668.30

THE FARMERS BANK OF CANADA.

Travelling.

1905			
Jan.	21	Ferguson	$ 73.75
		Smith	300.00
Feb.	9	Fraser	207.07
June	14	Smith	30.00
July	10	Smith	25.00
July	22	Smith	75.00
		Lown	50.00
Oct.	16	Lown	25.00
Oct.	21	Smith & Finkle	150.00
Nov.	24	Smith & Lown	25.00
Dec.	22	Trip to Hamilton	3.00
		Smith	5.00
1906			
Jan.	6	Smith	8.00
Jan.	11	Durand	6.00
		Smith	25.00
Jan.	26	Smith & Lown meet Dewart & Finkle	25.00
Feb.	7	Finkle	25.00
			1,057.82
Nov.	27	W. R. Travers	100.00
			1,157.82
Dec.	14	W. R. Travers	117.00
		Total	$1,274.82

THE FARMERS BANK OF CANADA.

1905		Salaries				Total
April 10	Smith	$200.00				
June 7	"	100.00				
Aug. 16	"	100.00				
Sept. 6	"	70.00				
Sept. 25	"	100.00				
Oct. 6	"	50.00				
Nov. 21	"	25.00				
Nov. 27	"	125.00				
Dec. 12	"	50.00				
Dec. 22	"	75.00				
Dec. 30	"	25.00				
1906						
Jan. 17	"	50.00				
Feb. 3	"	25.00				
Feb. 16	"	55.00				
Feb. 23	"	100.00				
April 4	Miss McKenna		$11.50			
April 7	"		8.00			
April 15	"		8.00			
April 20	"		8.00			
April 28	"		8.00			
	Smith	75.00				
May 5	Miss McKenna		8.00			
May 12	"		8.00			
May 19	"		8.00			
May 26	"		8.00			
May 28	Smith	50.00				
June 2	Miss McKenna		8.00			
June 11	"		10.00			
June 11	Smith	50.00				
June 19	"	40.00				
June 23	Miss McKenna		20.00			
June 30	"		10.00			
July 7	"		12.50			
July 21	"		25.00			
July 28	"		12.50			
July 31	Smith	60.00				
Aug. 4	Miss M Kenna		12.50			
Aug. 11	"		12.50			
Aug. 27	"		25.00			
Aug. 31	Smith	75.00				
Aug. 31	Miss McKenna		12.50			
Sept. 20	"		37.50			
Sept. 29	"		12.50			
Sept. 29	Smith	75.00				
Oct. 6	Miss McKenna		12.50			
Oct. 13	"		12.50			$ 1,886.00
Nov. o2	"		37.50			
Nov. o6	Smith	75.00				
Nov. o8	Miss McKenna		12.50			
Nov. 16	"		12.50			
Nov. 21	A. R. Shaver			$112.50		
Nov. 24	Miss McKenna		12.50			$ 2,148.50
Dec. 1	"		12.50			
Dec. 1	J. G. Fitzgibbon				$50.00	
Dec. 15	Miss McKenna		25.00			
Dec. 15	A. R. Shaver			37.50		
Dec. 15	J. G. Fitzgibbon				50.00	
		1,650.00	$ 423.50	$150.00	$100.00	
		423.50				
		150.00				
		100.00				
	Total,	$2,323.50				

THE FARMERS BANK OF CANADA.

EXCHANGE

1906	
Jan. 21	$ 1.45
Mar. 20	.50
April 6	.70
April 20	.40
April 30	1.00
May 4	.60
May 5	.20
May 7	.30
May 7	.25
May 9	1.10
May 9	.18
May 11	.60
May 11	.15
May 00	.10
May 14	.20
May 16	.10
May 19	1.66
May 21	.10
May 23	1.20
May 26	.20
May 28	.60
June 1	1.10
June 4	.60
June 6	.35
June 8	.18
June 12	.10
June 12	.15
June 16	1.08
June 18	.45
June 22	.10
June 26	.10
June 27	.10
July 3	2.68
July 4	.25
July 6	.10
July 7	1.30
	.80
	.89
July 12	2.10
July 14	.47
July 16	.40
July 18	1.00
July 23	1.49
July 26	1.50
	.10
July 28	1.00
July 30	.65
July 31	.94
Aug. 1	.60
	.60
Aug. 3	.10
	$32.87

THE FARMERS BANK OF CANADA.

EXCHANGE—*Continued.*

1906		
	Forward	$32.87
Aug. 4		2.35
Aug. 7		2.26
Aug. 9		.10
Aug. 16		.10
Aug. 17		.30
Aug. 18		.80
		.48
Aug. 23		.60
Aug. 24		.70
Aug. 25		1.25
Aug. 27		.10
Aug. 30		.10
Aug. 31		.20
Sept. 1		2.50
Sept. 4		.26
Sept. 5		.85
Sept. 6		.10
Sept. 10		1.00
Sept. 13		.10
Sept. 17		.10
Sept. 18		.10
Sept. 20		.10
Sept. 24		2.68
Sept. 25		.45
Sept. 28		2.95
Sept. 29		1.65
Oct. 1		.60
Oct. 2		.20
Oct. 3		.10
Oct. 5		.10
Oct. 6		.10
Oct. 8		.20
Oct. 11		.10
		56.45
Nov. 6		.20
		56.65
Dec. 3		.20
Dec. 6		.10
Dec. 19		15.63
Dec. 14		.37
Dec. 24		1.00
Dec. 31		.14
May 16		.10
	Total	$74.29

THE FARMERS BANK OF CANADA.

EXPENSE

1905			
Feb.	2	Bell Telephone Co	$ 25.00
		Postage	10.00
	6	Miss Merrill, stenographer	32.00
		Rent, Temple Bldg	60.00
	18	Nat. office rent 1/3	55.00
Mar.	6	Rent, Temple Bldg	75.00
Apr.	1	Dick, care office	12.00
	7	Nat. rent	55.00
	19	W. H. Smith, Fox & Ross claim	100.00
		Dick, care of office	12.00
		Nat. rent	55.00
June	2	Dick, care of office	9.00
	6	Nat. rent	55.00
	29	Dick, care office	8.00
July	4	Nat. rent	55.00
Aug.	1	Advertising, Star	25.00
		Dick, care office	4.00
	16	Nat. rent	25.00
Sept.	7	Bell Telephone	24.14
	9	Dick, care office	4.00
		Standard Advertising	20.00
		C. M. Ellis, printing	25.00
Oct.	5	Globe advertising	1.74
	6	Dick, care office	4.00
	13	Nat. rent	50.00
Nov.	7	Nat. rent	25.00
		Dick, care office	4.00
		Entertaining Dewart & Finkle	25.00
		Office Spec. for Duns' reports	3.00
	16	Bell Telephone	4.30
	23	Standard printing	10.00
Dec.	4	Dick, care office	4.00
		Nat. rent	25.00
	19	Postage	4.00
		Telegram	.30
	22	Bell Telephone	3.00
	30	Dick, care office	8.00
1906			
Jan.	24	Bell Telephone	4.90
Feb.	1	Nat. rent	50.00
		Dick, care office	4.00
		Bell Telephone	25.00
	6	Standard Advertising	25.00
	19	Bell Telephone	4.25
Mar.	6	Dick, care office	4.00
	10	Smith Tels	4.60
		Nat. rent	25.00
		Bell Telephone	8.40
	20	Fraser telephone	2.65
		Postage	6.00
	26	Mail, advertising	100.00
Apr.	4	World advertising	45.00
		Monetary Times	15.00
		News	54.20
		C. M. Ellis, printing	114.50
		Dick, care office	4.00
		Herald advertising	15.00
		Star "	64.35
		Clarke "	8.40
	9	Globe "	92.80
		Nat. rent	25.00
		Times advertising	15.00
		Standard "	15.00
	15	Spectator "	15.00
			$1,563 53

THE FARMERS BANK OF CANADA.

EXPENSE—*Continued*

1906			
		Forward	$1,563.53
Apr.	15	C. P. R. Telegraph	4.16
		Bell Telephone	9.10
	28	Ellis, printing	179.50
		Intelligencer advertising	11.75
	30	Protest fees, Mrs. Leslie	1.61
May	4	Dick, care office	4.00
		Nat. rent	25.00
	12	Standard advertising	6.00
		Bell Telephone	5.50
	28	C. P. R. Telegraph	5.78
June	5	Dick, care office	4.00
	6	Chatham Daily	15.00
	18	Saturday Night, advertising	25.80
		Champion, Milton, "	136.05
		Courier "	1.50
		Catholic Register "	36.00
		Bell Telephone	7.30
		Nat. rent	25.00
		C. P. R. Telegraph	1.25
		Postage	25.00
	23	Standard Advertising	29.40
		C. M. Ellis	70.75
	28	Dick, care office	4.00
July	6	Scottish Canadian, advertising	90.00
		Milton Reformer "	10.50
		Brantford Expositor "	2.50
		Bell Telephone	4.35
	7	United Typewriter Co	5.50
	9	Globe advertising	1.60
		" "	16.00
	19	Canadian Champion, advertising	5.25
		Bell Telephone	4.65
		C. P. R. Telegraph	1.36
	23	Nat. rent	25.00
	30	Dick, care office	6.25
Aug.	13	C. P. R. Telegraph	1.47
	15	Monetary Times subscription	2.00
		Bell Telephone	25.00
	27	Nat. rent	25.00
		Bell Telephone	4.70
		Protest fees and telegram	2.37
	13	Dick, care office	6.00
Sept.	25	Nat. rent	25.00
		Bell Telephone	6.35
		Farming World advertising	15.00
	29	Nat. rent	25.00
		Dick, care office	6.00
Oct.	3	Rent office Milton	15.00
		King printer	13.45
		C. M. Ellis, printing	13.50
		Bell Telephone	2.05
		N. A. Life rent	25.00
Nov.	2	Alexander & Cable	12.25
		Dick, care office	8.00
		Verney's Monthly	2.00
	7	Metcalf Sings	4.00
	16	C. P. R. Telegraph	3.23
	20	Dick, care of office	3.00
			$2,584.61
Dec.	5	Monetary Times, advertising	12.00
		Bell Telephone	1.20
		" "	12.30
	6	Mail, advertising	196.98
	7	Standard "	21.00
14		Globe "	181.65
		Total	$3,009.74

EXHIBIT 65.

Option dated the 18th May, 1908, from R. J. Jowsey et al. to W. Beattie Nesbitt, and agreement of the 18th May, 1908, between Nesbitt and G. Wishart, W. R. Travers and the Farmers Bank.

MEMORANDUM OF AGREEMENT made this Eighteenth day of May, A.D. 1908.

BETWEEN:

ROBERT J. JOWSEY, CHARLES KEELEY and JOHN M. WOOD, all of the Town of Haileybury, in the District of Nipissing, hereinafter called the Vendors,

OF THE FIRST PART

—and—

WILLIAM BEATTIE NESBITT, of the City of Toronto, in the County of York, hereinafter called the Purchaser,

OF THE SECOND PART.

WHEREAS the Vendors are the holders of a certain mining claim, situate in an unsurveyed portion of the District of Nipissing, South of the Township of Lorrain, and recorded in the office of the Mining Recorder of the Temiskaming Mining Division as No. 10285, and also known as survey No. H.R.19, and

WHEREAS the Vendors have agreed to give the Purchaser an option to purchase the said mining claims,

NOW THIS AGREEMENT WITNESSETH that in consideration of the premises and of the sum of Three dollars now paid by the Purchaser to the Vendors (the receipt whereof is hereby acknowledged), the Vendors hereby give the Purchaser the sole and exclusive option to purchase the said mining claim at or for the price or sum of Three hundred thousand dollars payable at the times and in the manner following:—

THREE THOUSAND DOLLARS paid prior to the signing of this agreement (the receipt whereof is hereby acknowledged), the further sum of Forty-seven thousand dollars before Three o'clock on the Nineteenth day of May, 1908, the further sum of Fifty thousand dollars in Three months from the date hereof, the further sum of Fifty thousand dollars in Six months from the date hereof, the balance to be paid in Six equal monthly payments on the Nineteenth days of December, 1908, January, February, March, April and May, 1909, said payments to be made by depositing the said amounts to the joint credit of the said Vendors in the Union Bank of Canada, at Haileybury, Ontario.

THE PURCHASER, or his nominee, his servant, agents or workmen, shall have the right at all times during the currency of this agreement to enter with horses, animals, plant and vehicles upon the said mining claim, and to search, prospect and explore, by blasting, boring, excavating or otherwise, for valuable mineral, of any and every nature, kind and description.

THE PURCHASER or his nominee shall be at liberty to mine or ship ore, but in such case the Purchaser immediately on returns from the Smelter Com-

pany shall deposit Ninety per cent of the proceeds of the ore to the credit of the Vendors to be applied on the purchase price.

ALL ORE which has been mined to date hereof on the said property shall belong to the Vendors.

THE PURCHASER covenants and agrees that he will mine the property in a thorough and workmanlike manner.

IT IS FURTHER UNDERSTOOD AND AGREED that the Vendors shall have the privilege of entering upon the property at any time for the purpose of inspecting any or all of the plant and workings of the Purchaser, and they shall also have the privilege either by themselves or their agent of inspecting the books of the Purchaser, or his nominee wherever they may be.

THE VENDORS shall also have the privilege of sending an agent to the smelter with every car of ore to see that proper returns are secured from the sale of the ore.

THE VENDORS AGREE that when the sum of Fifty thousand dollars has been paid they will place in the Union Bank of Canada at Haileybury, a properly executed transfer of the said mining claim, to the purchaser or his nominee; said transfer to be held by said Bank in escrow until the full amount of the purchase price has been paid, when the said transfer shall be delivered to the Purchaser or his nominee.

TIME SHALL BE of the essence of this agreement, and in the event of the Purchaser failing to comply with the terms and conditions herein contained, or any of them, this agreement shall become null and void, and all payments made in respect thereof, shall become the absolute property of the Vendors as liquidated damages, and not as a penalty, and the Vendors may forthwith repossess themselves of the said property without any compensation for any work done by the Purchaser or his nominee.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that all the previous agreements made between the parties hereto shall be null and void.

THIS AGREEMENT shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns, respectively.

In the event of the Purchaser forming a company to operate said property no stock shall be sold without the consent of the Vendors, except the same be placed in escrow with a Trust Comptny until the Vendors are paid in full. After the Vendors are paid in full this clause shall be null and void.

IN WITNESS WHEREOF the said parties have hereunto set their hands and seals.

SIGNED, SEALED and DELIVERED
In the presence of

(Sgd.) H. D. GRAHAM.

(Signed)

R. J. JOWSEY (Seal)
CHAS. KEELEY (Seal)
JOHN M. WOOD (Seal)
W. BEATTIE NESBITT (Seal)

MEMORANDUM OF AGREEMENT made this 18th day of May, 1908.

BETWEEN:—

W. BEATTIE NESBITT, of the City of Toronto, Physician,

Of the First Part,

GEORGE WISHART, of the City of New York, Promoter,

Of the Second Part

W. R. TRAVERS, of the City of Toronto, Banker,

Of the Third Part,

—and—

THE FARMERS BANK OF CANADA,

Of the Fourth Part.

WHEREAS the party of the first part is the holder of an option to purchase the mining claim and property known as claim H.R.-19, and recorded in the Temiskaming Mining Division as number 10285,

AND WHEREAS the party of the first part is obtaining an advance from the party of the second part of twenty-five thousand dollars, and an advance from the party of the fourth part of twenty-five thousand dollars, for the purpose of applying the said sums under such option on the purchase price of said mining property,

AND WHEREAS the party of the first part has agreed to procure a mining company to be incorporated for the purpose of purchasing the said option,

NOW THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements hereinafter contained the parties hereto mutually covenant and agree each with the other as follows:—

1. That the party of the first part shall immediately proceed to procure to be incorporated by Letters Patent from the Province of Ontario, a mining company under the name "The Jowoskee Mines, Limited", with an authorized capital of One Million Dollars, divided into two hundred thousand shares of five dollars each.

2. That the Directors of the said Company shall be George Wishart, W. Beattie Nesbitt and John A. Fox.

3. That the entire capital stock in said Company shall be procured to be issued to the said Nesbitt as fully paid up in payment to him for the transfer by him to the Company of the said option to purchase the said claim and all rights therein, the said Company to assume and pay to the Vendors of said property the further payments, amounting in all to two hundred and fifty thousand dollars, at the times and in the manner provided in the said option.

4. Said Nesbitt covenants and agrees to transfer the said option and all rights therein and to the said claim to the said company to be incorporated, forthwith after incorporation thereof, in return for the entire capital stock of said Company, to be issued to him fully paid up, in return therefor, it being understood and agreed that the remaining payment of two hundred and fifty thousand dollars under said option, shall be paid promptly by said Company to be formed.

5. The said Nesbitt further covenants and agrees that forthwith upon the issue to him of the said capital stock of the said Company that he will transfer to the party of the fourth part as a bonus, twenty-five thousand shares, being one

hundred and twenty-five thousand dollars par value, of said stock; and to the party of the second part as a bonus, twenty-five thousand shares, being one hundred and twenty-five thousand dollars par value, of said stock; and to the party of the third part, forty thousand shares, being two hundred thousand dollars of the par value, of said stock; and to the party of the second part a further forty thousand shares, being two hundred thousand dollars of the par value, of said stock (in addition to the twenty-five thousand shares above set out), said Nesbitt retaining for himself in his own right the balance, seventy thousand shares, of the par value of three hundred and fifty thousand dollars, of said stock.

6. It is expressly declared and agreed between the parties hereto that the said Nesbitt shall act as Trustee for the parties hereto in the receipt by him of the stock of the said Company as aforesaid, and that forthwith after issue thereof to him he shall transfer the same to the parties entitled thereto as set out in said preceeding paragraph, and that the said Nesbitt hereby declared himself to be a Trustee for the purposes set out in said preceeding paragraph for the purposes of receiving and transferring to each of them the respective shares of stock as provided in said paragraph.

7. It is further agreed by all parties hereto that the entire capital stock of the said Company to be issued and transferred as aforesaid shall be deposited in escrow with the Trusts and Guarantee Company of Toronto, until the full purchase money for the said mining claim has been duly paid to the original owners thereof, and until the said mining property has been duly transferred to the said Company; and it is further agreed that said stock so deposited in escrow shall stand as security to the party of the fourth part for any and all advances made by the party of the fourth part to the party of the first part, or to the said Company, or otherwise connected with the mining property above referred to, and that none of the parties hereto shall be at liberty to agree to sell, transfer, barter, exchange or dispose of any of the shares of said stock without the written consent of all parties to this agreement.

8. It is further mutually agreed by and between the parties hereto that all right, title and interest under the said option agreement to the said mining claim shall be, and the same is hereby declared to be, pledged to and vested in the party of the fourth part as security for all sums advanced or to be advanced by the party of the party of the fourth part or the party of the second part in connection with the purchase of said mining property, or to the said Company, until such time as said option agreement shall be transferred to the said Company to be incorporated.

9. It is further mutually agreed that all by-laws, contracts, regulations and matters pertaining to the incorporation and conduct and management of the said Company to be incorporated, shall be submitted to and subject to the approval of the General Manager of the said Farmers Bank of Canada.

10. It is further mutually agreed between the parties hereto that the party of the fourth part or its nominee shall be the Treasurer of the said Company to be incorporated, and that all monies shall pass through the offices of the party of the fourth part, and that no payment in connection with said property shall be made except by cheque and with the approval of the party of the fourth part.

11. It is further mutually agreed between the parties hereto that during the period that said capital stock is held in escrow as above provided, the said party of the fourth part shall as to the entire capital stock of each of the parties to this agreement, except one share of each party hereto, be entitled to exercise all voting privileges with respect to such stock, and each of the parties hereto hereby appoints the party of the fourth part his attorney and proxy with respect to his holding of stock, except one share thereof, with full power to the party of the fourth part or his General Manager, or any other person or persons in substitution thereof by written appointment of the party of the fourth part, to attend all meetings, and exercise all voting powers upon said stock.

12. It is further mutually agreed between the parties hereto that in the event of it being considered necessary or desirable for the purpose of advancing funds to the said Company to be incorporated, for the completion of the payments by said Company for said mining property, or for purposes of development or machinery, and expenses, that any such stock so sold by mutual consent of the parties hereto, shall be sold for the best offer obtainable, and that any of the parties hereto whose stock is so sold shall be entitled to be repaid by said Company the amount realized therefor and advanced to the Company.

THIS AGREEMENT shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED and EXECUTED	GEO. WISHART	(Seal)
	BEATTIE NESBITT	(Seal)
In the presence of:—	W. R. TRAVERS	(Seal)
A. G. SCOBY,	W. R. TRAVERS, *General Manager.*	(Seal)

EXHIBIT 66.

Memorandum re Devean and Menzie transaction:

MEMO RE DEVEAN—MENZIE'S TRANS.

Devean purchased $20,000 of Bank Capital Stock, paying therefor:

Cash	$ 100	
Notes	900	
Securities	19,000	
		$20,000

When list went to Government, $20,000 of second loan from Trusts Company was allocated as in payment of Devean stock, and such stock was shewn as paid up—see p. re spread payments.

When second loan was paid off by Bank check to Trust Company for $25,344.80 on March 12, 1907, amount was charged to organization account instead of to Capital.

Return having been made of moneys allocated in place of Devean Securities, the latter were released by Trust Company, and were available to be used as in payment of Bank capital stock.

But—

Organization account and not Capital Account having been charged with payment of $25,344.80 it follows that the Securities should be credited to Organization account, and not Capital Account.

This was not done however until Menzie's transaction was put into effect, when the proceeds of a $40,000 note given by him and discounted in Toronto Branch were split, and

$20,000 allocated against new subscription to Bank Stock for equal amount.

$20,000 allocated to take the place of Devean securities and credited to Organization Account.

the original credit to Capital Stock, from spread payments, included in item of $291,310 under date of Nov. 27, 1906, not having been disturbed.

EXHIBIT 67.

Plan of Head Office of Farmers Bank, identified by Mr. Travers:

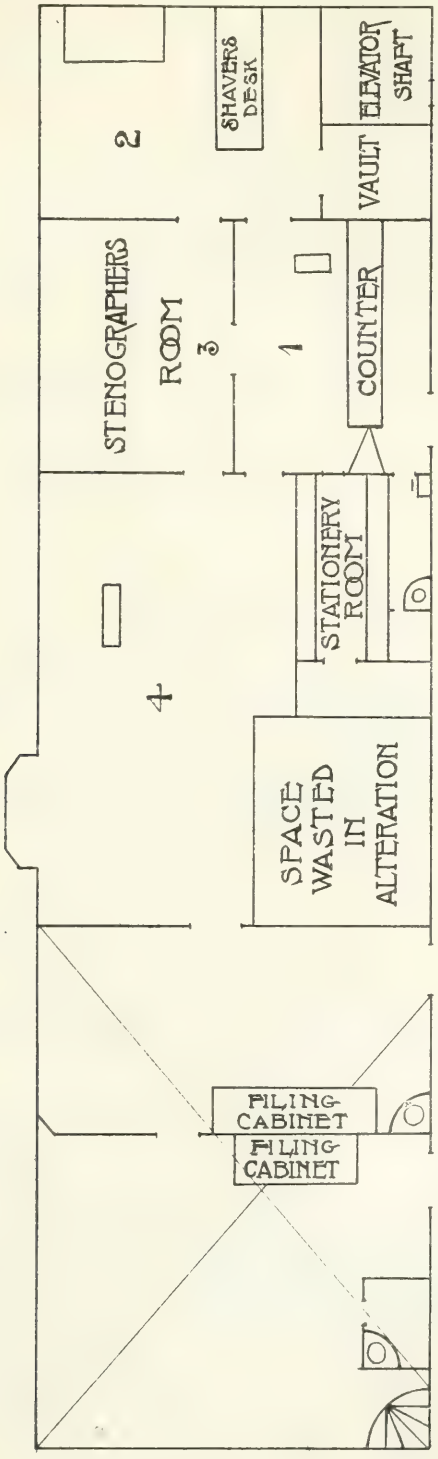

EXHIBIT 68.

Copy of letter, dated June 18th, 1908, Travers to Hon. A. J. Matheson:

June 18th, 1908.

HON. A. J. MATHESON,

Provincial Treasurer,
Toronto.

My dear Sir:—

A few weeks ago I made some advances to the extent of $35,000 on the promise that $25,000 would be deposited by you which was requested by the friends of Dr. Beattie Nesbitt and $10,000 at the request of the World newspaper.

You were good enough to put in $25,000 but this leaves my Reserves still $10,000 reduced and I would be glad if you could see your way clear in the matter to make a further deposit of this amount and greatly oblige,

Yours very truly,
General Manager.

EXHIBIT 69.

Two letters dated June 20th and 21st from W. H. Greenwood to Mr. Travers:

Dear W. R.:—

I heard from Colonel Matheson this morning. He is to meet me at the *Queen's Hotel to-night* on his arrival from Perth. I will have something definite to report tomorrow.

Yours truthfully,
"W. H. GREENWOOD."

June 20.

THE TORONTO WORLD.

Founded 1890.

TORONTO, CANADA.

June 21.

Dear W. R.:—

Will you mark the clauses in this Banking Act that refer to gov't deposits—I am going back at Col. Matheson tonight.

I saw him at the Queen's last night and again this a.m. He is disposed to do as I want. I want to clinch him to-night.

Yours,
"GREENWOOD."

EXHIBIT 70.

Unsigned letter from Mr. Travers to D. S. Macorquodale, dated Aug. 29th, 1906:

Toronto, August 29th, 1906.

D. S. MACORQUODALE, ESQ.,
Toronto, Ontario.

Dear Sir:—

Having learned that you were arrested last evening on the street car and taken to the Police Station, I will have to ask you to cease doing any further business for the Farmers' Bank of Canada, as it would be impossible for us to associate our name with any person who would get into such disgrace.

Yours truly,

General Manager.

EXHIBIT 71.

Unsigned letter (copy) dated 19th Oct., 1906, from Mr. Travers to Manager of Bank of Montreal, Toronto:

The Manager,
The Bank of Montreal,
Toronto, Ontario.

Dear Sir:—

You are hereby authorized to retain out of the moneys deposited by the Farmers' Bank of Canada to the credit of the Receiver General, the sum of twenty thousand dollars and interest thereon on the return of the funds to you, being the amount advanced by you to W. R. Travers, to complete the deposit of $250,000 with the Receiver General as required by the Bank Act.

Yours truly,

General Manager.

EXHIBIT 72.

Unsigned letter (copy), Jan. 12th, 1907, from Mr. Travers to The Minister of Finance:

The Hon.,
The Minister of Finance,
Ottawa, Ontario.

Dear Sir:—

Herewith I beg to hand you the Statement required by the Government, the 31st of December, 1906.

As we had a portion of our money deposited with a Trust Company which is not provided for in this statement, I have included it under No. 6, which I trust will be satisfactory.

Yours truly,

General Manager.

EXHIBIT 73.

Agreement of 4th July, 1906, between Provisional Directors and W. R. Travers naming 15% commission on sale of the capital stock:

Memorandum of Agreement made in duplicate the fourth day of July, A.D. 1906, BETWEEN:—

JAMES GALLAGHER,
ALEXANDER S. LOWN,
ALEXANDER FRASER,
JOHN FERGUSON,

all of the City of Toronto, in the County of York, and

JOHN WATSON,

of the Town of Listowel, in the County of Perth, the Provisional Directors of the Farmers' Bank of Canada.

of the first part.

—AND—

W. R. TRAVERS,

of the said City of Toronto,

of the second part.

WHEREAS, an agreement was made between the said parties of the first and second parts dated the 12th day of March, A.D. 1906, and whereas it has been agreed by and between the said parties hereto to cancel and annul the said agreement and to substitute in lieu thereof the following agreement and the said agreement is hereby annulled and the following substituted:

The said Directors agree to allow the said Travers to sell all the capital stock of the said Bank which is now unsold, the first $500,000 of the capital stock at par and the balance thereof at such a premium as may be decided upon up to the time at which the duties of the said provisional Board shall cease, and to allow him a commission of fifteen per cent thereon for expenses of selling same, payable one half on the signing of the subscription and payment of deposit and the balance on allotment and the said Directors bind themselves to allot all the stock on the application of the party of the second part, and to make all legal calls thereon and the party of the first part further agree at the request of the party of the second part to call all meetings and do all acts which are legally necessary for the organization of the Bank.

The said Directors agree to engage the said Travers as General Manager of the said Bank to perform the duties as such for the period of five years certain to date from the obtaining of license from the Treasury Board for said Bank at a salary of $6,000.00 per annum and all agreements necessary to give effect to this provision are to be executed by both parties, the same to be subject to the By-Laws of the said Bank and to the Bank Act as to the security for the performance of duties and this agreement as to employment to be subject to ratification by the Board of Directors elected by the shareholders or by the shareholders themselves, and if they refuse to ratify it to be null and void.

The said Travers agree that if the said Board so elected by the shareholders as aforesaid do not confirm the appointment above set out of the said Travers as General Manager, then he is to receive only his commission on the stock sold by

him and there will be no further liability to him on the part of the said Provisional Directors personally or on the part of the said Bank.

The said Provisional Directors agree that the literature, office rent and other incidental expenses of the organization of the Bank be paid by the said Bank and also confirm all acts done by the said Travers and all accounts incurred by him as General Manager of said Bank up to the date of this agreement.

The said Travers to have full control of the office of the said Bank and all the affairs pertaining to the organization thereof immediately after the signing of this agreement, and it is further agreed that until the organization of the Bank, all checks are to be countersigned by him.

IN WITNESS WHEREOF, the said parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF As to six signatures, "A. R. SHAVER."	"JAMES GALLAGHER."	(*Seal*)
	"A. S. LOWN."	(*Seal*)
	"JOHN WATSON."	(*Seal*)
	"JOHN FERGUSON."	(*Seal*)
	"ALEXANDER FRASER."	(*Seal*)
	"W. R. TRAVERS."	(*Seal*)

EXHIBIT 74.

Agreement, the Farmers Bank et al. and Frederick Crompton, March 3, 1909:

MEMORANDUM OF AGREEMENT made and entered into this Third day of March, A.D. 1909.

BETWEEN:

THE FARMERS BANK OF CANADA, WILLIAM RICHARD TRAVERS of Toronto, General Manager, and W. BEATTIE NESBITT of the same place, Physician,

Of The FIRST PART,

—AND—

FREDERICK CROMPTON of the said City of Toronto, Manufacturer,

Of The SECOND PART.

WHEREAS the party of the second part has agreed to deposit at the time of the execution hereof with the said Farmers Bank of Canada the sum of Fifty thousand dollars, for which sum he is to receive the Bank's deposit receipt payable with interest at the rate of Three per cent. per annum, and has agreed to deposit a further sum of Twenty-five thousand dollars with the said Bank on or before the Thirtieth day of March instant, and to deposit a further sum of Seventy-five thousand dollars with the said Bank during the month of April next in Three equal payments of Twenty-five thousand dollars each as may be asked for by the General Manager of the said Bank, but so always that Ten days may elapse

between the times such payments may be required and their respective times of payment, for all of which deposits he is to receive the Bank's deposit receipts bearing interest as aforesaid ;and all of the said deposits are to remain in the said Bank for a period of four months from the issue of the respective receipts therefor, and subject to the withdrawal thereafter upon Thirty days' notice should the said party of the second part desire to withdraw same, and subject to the right of said Bank to repay same as hereinafter set out;

AND WHEREAS it has been agreed between the parties hereto that said deposits being duly made as above recited, the said party of the second part is to have assigned to and vested in and delivered to him by the said William Richard Travers, 100,000 fully paid up shares of $5.00 each in the Capital Stock of Keeley Mine, Limited, to be held by the party of the second part as collateral and continuing security for the said deposits, said party of the second part also to have the personal advantages and other benefits on him hereby agreed to be conferred, for his own absolute use, benefit and behoof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the said several parties hereto, in consideration of the premises and other valuable considerations them thereunto moving, hereby mutually covenant and agree with each other in manner and form following, and to abide by, observe, keep, perform and live up to the terms and conditions herein contained and every of them, hereinbefore recited and hereinafter declared:

1. The said party of the second part for the considerations and benefits herein to him accruing and on him conferred, agrees with the said Bank and the several other parties of the first part that he will deposit in the said Bank the moneys in the first recital herein referred to, in the manner, form and substance as therein declared, and that he will observe the terms of said deposits as in the recital set out and declared, and will abide by the other provisions herein contained in relation thereto and as to his holding of the said collateral security referred to herein;

2. In consideration whereof and the deposits so to be made as aforesaid, the said William Richard Travers is to transfer and deliver to said party of the second part as collateral security for such deposits, and to have vested in the said party 100,000 fully paid up non-assessable shares in the Capital stock of Keeley Mine, Limited, with the power of sale as hereinafter set out, the said shares to be under the absolute power, dominion and control of the said party of the second part as such collateral security until the whole of the moneys on deposit by him with said Bank shall have been repaid with interest at the rate as in such receipts set out, but always provided that the said party of the second part shall not, during the continuance of the deposits with the said Bank, pledge, hypothecate, transfer or part with the said shares to any person or Corporation until default shall have happened in the payment to him of his moneys on deposit as hereinbefore set out and recited. The said $500,000 stock, upon notice being given by the said William Richard Travers, General Manager of the said Bank, on behalf of said Bank, that it is desired to repay such deposit and interest to the said party of the second part, and upon payment to him of such deposits and interest, shall thereupon be re-transferred and assigned and set over to the said William Travers.

3. AND it is further declared and agreed between the parties of the first part and said party of the second part that as a further consideration for the deposits to be made and upon said party of the second part living up to the terms of this agreement and making the deposits as aforesaid, he shall be entitled to receive from the parties of the first part, $100,000.00 in the fully paid up non-assessable stock of Keeley Mine, Limited, for his own absolute use, benefit and behoof to do with as he pleases, but so nevertheless that he shall not put or place same on the market without first giving the parties of the first part after four months after date of deposits thirty days' notice thereof or upon agreement with

them. The said $100,000.00 in such Capital stock going to said party of the second part to be assigned and made good in the following proportions, that is to say:

The Farmers Bank of Canada shall contribute	$ 50,000.00
William Richard Travers shall contribute	25,000.00
William Beattie Nesbitt shall contribute	25,000.00
	$100,000.00

And the three last named parties covenant and agree that they have in themselves full power and authority to transfer to said party of the second part such stock in said Keeley Mine, Limited, freed and cleared from every obligation and charge created by them, if any.

4. Provided further and it is hereby agreed and declared that in case default should be made in payment to the said party of the second part of such deposits or any of them when properly demanded and thirty days shall have elapsed thereafter, the said party of the second part upon ten days' notice to the said Bank and the other parties of the first part, which notice shall be sufficient if addressed to them at the address of said Bank or left thereat, shall thereafter be at liberty to proceed and offer for sale the said $500,000.00 stock he holds as collateral security, or so much thereof as may be necessary, by public or private contract, by tender or otherwise, as he shall see fit, and out of the proceeds of such sale recoup himself the amount that may be then owing to him on such deposit receipts, together with any costs, charges or expenses he may be put to in and about such sale, and after payment to him thereof together with his said claim, the balance of such stock or the moneys resulting from such sale, shall go and is to be paid to the said William Richard Travers, his executors, administrators or assigns.

IT IS FURTHER DECLARED and UNDERSTOOD that all agreements herein contained are to be binding upon and enure to the benefit of the several parties hereto, their respective heirs, executors, administrators, successors and assigns.

SIGNED, SEALED AND DELIVERED
in the presence of,

"Arthur A. Macdonald."

The Farmers Bank of Canada.
"W. R. Travers",
General Manager.

"W. R. Travers", (*Seal*)
"W Beattie Nesbitt." (*Seal*)
"Frederick Crompton." (*Seal*)

EXHIBIT 75.

Letter of W. F. Maclean to Travers, dated December 15th:

Dear Mr. Travers,—Help us out again by cashing enclosed for balance wages. Send in Thursday.

Yours faithfully,

W. F. Maclean.

Dec. 15.

EXHIBIT 76.

Copy list of notes left with Trusts & Guarantee Co. as collateral:

TRUST COMPANY LIST.—LIST OF NOTES.

Date	16th/06	Thomas Aitken	12 months	$2,500.00
	July 2nd/06	John K. Brown	12 months	1,800.00
	June 22nd/06	D. Hamilton Bennett	12 months	675.00
	May 5th/06	George A. Bell	12 months	270.00
	May 31st/06	Burwell Bridgman	12 months	360.00
	July 10th/06	Robert Bell	12 months	900.00
	May 11th/06	Joseph E. Bate	7 months	560.00
	June 27th/06	William Bowman	12 months	450.00
	June 27th/06	Robert L. Brown	12 months	4,500.00
	May 11th/06	Joseph E. Bate	12 months	4,500.00
	Oct. 3rd/06	Archibald Campbell	7 months	200.00
	July 24th/06	J. H. Denny	12 months	450.00
	July 5th/06	Thomas Elliot	12 months	900.00
	July 11th/06	Allan Eaton	12 months	2,500.00
	Oct. 5th/06	Thomas Elliot	2 months	100.00
	May 21st/06	Andrew Emerson	12 months	4,500.00
	June 8th/06	H. A. Foster	12 months	1,350.00
	June 15th/06	Edward Ford	12 months	900.00
	June 4th/06	Edward Ford	12 months	1,350.00
	July 5th/06	D. Frank Ford	12 months	1,000.00
	July 5th/06	D. Frank Ford	12 months	1,500.00
	June 4th/06	Robert W. Fox	12 months	1,350.00
	June 12th/06	Robert W. Fox	12 months	900.00
	May 31st/06	John F. Ford	12 months	4,000.00
	May 17th/06	James Ford	12 months	4,800.00
	June 8th/06	Burdge Gundy	12 months	3,000.00
	Aug. 9th/06	George E. Husband	8 months	900.00
	Aug. 9th/06	R. W. Husband	8 months	900.00
	May 11th/06	Thomas Hunter	12 months	2,500.00
	May 11th/06	William Hunter	12 months	2,500.00
	June 6th/06	W. Hamilton	12 months	1,000.00
	Aug. 13th/06	Henry Hecks	8 months	900.00
	May 9th/06	John Irving	12 months	450.00
	June 29th/06	George A. Kennedy	12 months	900.00
	May 12th/06	D. C. Kemp	12 months	5,000.00
	July 23rd/06	Hugh Morrison	12 months	450.00
	May 9th/06	Alex. Matthews	12 months	500.00
	June 1st/06	Charles D. McGregor	12 months	350 00
	May 29th/06	P. A. McDuffe	12 months	1,500.00
	Oct. 8th/06	Samuel McClure	12 months	500.00
	May 14th/06	P. A. McDuffe	12 months	1,000.00
	Oct. 8th/06	Samuel McClure	9 months	250.00
	June 16th/06	Alexander Porter	12 months	450.00
	May 5th/06	Henry H. Powell	12 months	1,350.00
	May 16th/06	John Pell	12 months	900.00
	Oct. 4th/06	John Pell	6 months	100.00
	June 4th/06	Alexander Porter	12 months	450.00
	May 10th/06	George Storey	12 months	4,500.00
	Oct. 5th/06	George Storey	2 months	500.00
	June 6th/06	Walter Shortreed	12 months	1,000.00
	May 4th/06	W. N. Scott	12 months	3,500.00
	May 17th/06	Mary Moore Scott	12 months	900.00
	June 8th/06	Mary Moore Scott	12 months	2,000.00
	May 17th/06	Flora Scott	12 months	900.00
	June 15th/06	W. G. Sinclair	12 months	4,450.00
	May 22nd/06	Geo. H. Thompson	12 months	5,000.00
	July 30th/06	John Watson	12 months	450.00
	Sept. 28/06	Eliza A. Weir	12 months	500.00
	Oct. 8th/06	Ella M. Beaty	1 month	20.00
	Oct. 8th/06	Ella M. Beaty	8 months	180.00
	Oct. 8th/06	Ida A. Bastedo	9 months	450.00
	May 29th/06	Thomas Cox	12 months	5,000.00
	May 30th/06	John Stewart	12 months	900.00
	Oct. 8th/06	Ernest Patterson	8 months	100.00
				100,955.00
	Feb. 26th/07	Less list attached		32,300.00
				68,655.00
		Kerr, John, May 4th		2,000.00
		R. A. Elliott		500.00

TORONTO, October 26th, 1906.

COPY.

The following notes left with the Trust & Guarantee Company as collateral Security for an advance to W. R. Travers on account of The Farmers Bank of Canada:

E. W. Snelgrove	Oct. 9th	6 mos	$1,000.00	
George Robinson	July 5th	12 "	1,000.00	
Albert Downs	July 5th	12 "	2,250.00	Cash $250
			$4,250.00	

EXHIBIT 77.

Copy of letter of James J. Warren to W. R. Travers, September 20th, 1910:

Personal and confidential. Merrit, B.C., Sept. 20, 1910.

Dear Travers:—

Mr. Stratton spoke to me before I left in reference to some shares of the Keely Mine you were transferring to him. He said he proposed giving me one-half. Since I came out I have a letter from him that you have made the transfer—and that he has executed a declaration of trust in my favor.

I did not think it in anybody's interest to have another row over this, but I have thought it all over—and I have decided to write you, as I am doing, that *my* alleged share will be handed back to you—if I ever get it—subject to our agreeing on its being applied in part or whole for further compensation to the Trust Company. You don't owe me anything—and you paid the Trust Company what I thought was a sufficient bonus—when you transferred to Stockdale in trust the 25,000 shares of Kelly. If we agree that the Trust Company should have something more for further assistance—well and good.

I am much pleased to learn too that your matters are improving—but don't take a chance—be on the watch all the time.

Sincerely,

"JAMES J. WARREN".

W. R. TRAVERS, ESQ.,

General Manager.
Farmers Bank.

EXHIBIT 78.

Deposit slip No. 10262, *Traders Bank, for* $5,000, *to the credit of W. J. Lindsay in trust, December* 6, 1906:—

Form 18. 10262.

The Traders Bank of Canada

Savings Bank Department

Credit W. J. LINDSAY.....

Occupation In trust.....

P. O. Address.....

Deposited by

6th day of December 1906.

× 1 =		
× 2 =		
× 4 =		
× 5 =		
× 10 =		
× 20 =		
× 50 =		
× 100 =		
× 500 =		
C. N. K.	$5,000	Paid

N

EXHIBIT 79.

Copy papers connected with the loan of $295,000, *Trusts and Guarantee Co., to the Farmers Bank:*

$295,000.00. Toronto, November 2, 1910.

On demand after date The Farmers Bank of Canada promise to pay to the order of The Trusts and Guarantee Co., Ltd., Two hundred and ninety-five thousand dollars, with interest from date hereof at seven per cent. per annum, at the office of The Trusts and Guarantee Company, Ltd.

Value received. The Farmers Bank of Canada,

W. R. TRAVERS (*Seal*)

Vice-president and General Manager.

To Toronto, November 2nd, 1910.

The Trusts and Guarantee Company, Limited,
Toronto.

The Trusts and Guarantee Company, Limited, having this day made an advance to the undersigned, The Farmers Bank of Canada, of Two Hundred and Ninety-Five Thousand Dollars ($295,000), the undersigned promises to repay the same on call, with interest thereon from this date at the rate of seven per centum per annum, or such other rate as may from time to time be agreed upon, payable on call: and the undersigned having transferred to the said Company or to a trustee for it, as collateral security for the repayment of such advance and interest or any renewal or extension thereof the following:—The Bonds of The Keeley Mines, Limited, numbered 1 to 10, inclusive, of a par value of $100,000, each with coupons attached: and 1,200 shares of American Piano Company preferred stock carrying 7% quarterly dividends and Promissory Notes or Bills Receivable payable to the Bank by customers, which notes or Bills Receivable amount to $108,129.70 and are scheduled and delivered by the Bank to the Company, together with any moneys held by the Company on deposit or otherwise for the undersigned now or hereafter, and including also any Promissory Notes, Bills, Stock, Bonds or other securities which the undersigned may now or hereafter deliver to or deposit with the Company.

IT IS AGREED:—If default be made in repaying the advance or interest or any part thereof, or should the said security in the opinion of the Company depreciate in value, the Company may forthwith and without and notice sell the same or any part thereof either by public or private sale, provided that the records of Company as to such indebtedness being in default or having been demanded shall be final and conclusive without any further or other proof.

The Company shall not be bound under any circumstances to realize upon any security or allow any security to be sold, and shall not be responsible for any loss occasioned by any sale of any security, or by the retention thereof.

The Company is at liberty from time to time to substitute for the above security, such other security or securities as it may see fit to accept, and may retain and use the above-mentioned security or securities or such substituted security or securities as collateral for any other indebtedness present or future of the undersigned to the Company.

Should any security be in the form of a certificate for share of stock or a blank transfer or power of attorney, the Manager or Acting Manager of the Company at Toronto, or the Manager of any Branch of the Company, for the time being, may fill in all blanks in such transfer or power of attorney, and may re-execute and deliver such transfer or power of attorney as the attorney irrevocable of the undersigned, or the executors, administrators or assigns of the undersigned.

All costs incurred by the Company with reference to the security or the realization thereof shall be a first charge upon the moneys received.

Any substituted security shall be held by the Company subject to the said terms and conditions, and to the same powers and authorities as are hereby declare and conferred.

The Farmers Bank of Canada,

(Sgd.) W. R. TRAVERS (*Seal*)

Vice-President and General Manager.

The Manager, Toronto, November 2nd, 1910.
The Trusts & Guarantee Co., Ltd.,
Toronto.

Dear Sir:

Enclosed herewith I beg to hand you Promissory Notes to the extent of $108,129.70, as per Lists No. 1 to 14, inclusive, which, are delivered and lodged with you as Collateral Security for any advances that you may make to this Bank.

Any further documents you may wish signed in relation thereto I shall be only too pleased to do.

Yours truly,

"W. R. TRAVERS",

General Manager.

P.S.—I enclose also the Keeley Mine, Ltd., Bonds Nos. 1 to 10 and 1,200 Shs. Am. Piano Co. Stock, and the certified copy of the resolution of the Board of Directors.

W. R. T.,
G. M.

Toronto, November 15, 1910.

W. R. TRAVERS, ESQ.,
General Manager,
The Farmers Bank of Canada,
Toronto, Ont.

Dear Sir:—

You have requested us to re-discount a further number of notes totalling over $7,000, and, pending the delivery of same, which is to be made tomorrow,

that we advance you the sum of $7,000. On the above understanding we enclose you our cheque on the Traders Bank in your favor, for $7,000, and would be glad if you would have the attached demand note in our favor executed by your Bank. Please return note with bearer.

Yours truly,

"H. A. HOWARD",

Accountant.

H.A.H./V.

Personal. Toronto, November 17, 1910.

W. R. TRAVERS, ESQ.,
General Manager, Farmers Bank of Canada,
Toronto.

Dear Sir:—

I acknowledge receipt of your two favors of today, the first enclosing notes amounting to $16,406.86, and the second enclosing notes to the amount of $12,324.65, as per lists enclosed.

I beg to remind you of the fact that it was arranged with you on the 15th instant, as stated in our letter of that day, that we would receive notes to cover the advance of $7,000 made on that day. Today you requested a further advance of $13,000, and as no notes had been received since our letter of the 15th instant, I had to point out to you that we would require at least $40,000 worth of notes to cover these advances, and I understand the notes sent are in part compliance with this.

We do not think you should ask us to return the notes referred to in your second letter today, aggregating about $15,000, until provision is made for notes to take their place. We do not want to be placed in a position where it is necessary to scrutinize and make enquiries as to each individual note. For this reason, we think the notes should be of sufficient quantity to obviate the necessity of our having to do this. Kindly let us have the further notes required to make up the $40,000.

Yours truly,

"W. S. MORDEN",

Assistant General Manager.

Toronto, November 22nd, 1910.

The Farmers Bank of Canada,
Toronto, Ont.

Dear Sirs:—

We hereby demand, and call upon you for payment, during banking hours today, of the sum of $214,853.26, being balance due on the advances made by us to you, and represented by the following demand notes:

November 2, 1910	$295,000.00
November 11, 1910	3,575.00
November 15, 1910	7,000.00
November 17, 1910	13,000.00
November 18, 1910	3,000.00

together with interest thereon from the respective dates, at seven per cent. per annum. You are entitled to credit on the above for the amount paid our agents

from sale of American Piano Stock, and the balance of your account pledged for the payment of these advances. The following is a detailed statement:—

1910			
November 2,	Advance	$295,000.00	
	Interest, 20 days	1,131.50	
11,	Advance	3,575.00	
	Interest, 11 days	7.55	
15,	Advance	7,000.00	
	Interest, 7 days	9.40	
17,	Advance	13,000.00	
	Interest, 5 days	12.47	
18,	Advance	3,000.00	
	Interest, 4 days	2.30	
		$322,738.22	

Cr.

By amount placed to our credit at New York from sale by you of 1200 shares American Piano Company Stock	$95,000.00	
Less Exchange	$59.35	
" N. Y. State Tax	24.00	$83.35 $94,916.65
By Balance in current account		12,968.31
		$107,884.96
By Balance due		214,853.26
		$322,738.22

Yours truly,

"W. S. MORDEN"

Assistant General Manager.

Toronto, December 27th, 1910.

The Farmers Bank of Canada.
In account with,

The Trusts and Guarantee Company, Limited.

1910				
November 2,	To Advance	$295,000.00		
11,	" "	3,575.00		
15,	" "	7,000.00		
17,	" "	13,000.00		
18,	" "	3,000.00		
21,	By proceeds of sale of American Piano Company Stock			$95,000.00
December 15,	" W. H. Hunter note paid			2,500.00
20,	" Amount at credit of current account			4,596.04
20,	To Interest to date at 7% per annum..	2,359.30		
	Balance			221,838.26
		$323,934.30		$323,934.30
December 20	To Balance due The Trusts and Guarantee Company	$221,838,26		

E. & O. E.

Note: A. The above debit balance is liable to reduction by the amount at credit of current account at Calgary Branch. Particulars of this are being asked for.

B. The net balance due is secured by:-

Customers' paper	$ 293,526.31
Bonds of Keeley Mine	1,000,000.00
Bonds of Ontario Leather Company	75,000.00
	$1,368,526.31

"J. J. W."

Personal and confidential. Merritt, B.C., Sept. 20, 1910.

Dear Travers:—

Mr. Stratton spoke to me before I left in reference to some share of the Keeley Mine you were transferring to him. He said he proposed giving me one-half. Since I came out I have a letter from him that you have made the transfer —and that he has executed a declaration of trust in my favor.

I did not think it in anybody's interest to have another row over this, but I have thought it all over—and I have decided to write you, as I am doing, that *my* alleged share will be handed back to you—if I ever get it—subject to our agreeing on its being applied in part or whole for further compensation to the Trust Company. You don't owe me anything—and you paid the Trust Company what I thought was a sufficient bonus—when you transferred to Stockdale, in trust, the 25,000 Shares of Keeley. If we agree that the Trust Company should have something more for further assistance—well and good.

I am much pleased to learn too that your matters are improving—but don't take a chance—be on the watch all the time.

Sincerely,

"JAMES H. WARREN."

W. R. TRAVERS, ESQ.,
General Manager,
Farmers Bank.

EXHIBIT 80.

Copy, unsigned, letter, April 16th, 1909, Travers to Greenwood:

W. H. GREENWOOD, ESQ., April 16th, 9.
The World Newspaper Co.,
Toronto.

Dear Sir:—

I called you up on the phone just now and they told me you were in, but after I gave them my name, they told me you were out. I am not surprised.

You have not kept your word about the $100 cheque, and I think it is rather a mean way of treating a friend. Do not think I am doing this because I fear any blackmail. I have given my own personal cheque for it and beg to enclose the cheque herewith which you can do as you please with.

Yours truly,

General Manager.

EXHIBIT 81.

Letter, July 11th, 1906, from W. S. Calvert to W. R. Travers:

Ottawa, July 11th, 6.

W. R. TRAVERS, ESQ.,
Manager, Farmers' Bank,
Toronto.

Dear Mr. Travers:—

As I informed Mr. Urquhart when here, for certain reasons I felt it would be better for me to decline the honour of going on your Board. I thank you kindly for offering me a directorship.

I am glad you are succeeding so well. If there is anything further I can do to assist I shall be pleased to do it.

Yours faithfully,
W. S. CALVERT.

EXHIBIT 82.

Letter, W. S. Calvert to W. R. Travers, dated December 8th, 1908:

Ottawa, December 8th, 1908.

W. R. TRAVERS, ESQ.,
General Manager, Farmers Bank,
Toronto.

Dear Mr. Travers:—

Your favor 2nd inst. received on my return this evening. I do not know what the other amounts you mention are re J. H. Hamilton, but trust you will not think of charging it up to my guarantee, and I feel quite sure you will not.

I trust the telegram was received O.K. at Woodstock, and that you succeeded to your entire satisfaction.

Yours very truly,
W. S. CALVERT.

EXHIBIT 83.

Letter from W. S. Calvert to W. R. Travers, dated September 4th, 1909:

September 4th, 1909.

W. R. TRAVERS, ESQ.,
General Manager, Farmers Bank,
Toronto.

Dear Mr. Travers:—

Mr. Hamilton informs me this cheque for $75.00 is in full payment of all monies received from you in which my Bond was given. Kindly return said Bond to bearer for me and oblige.

Anything in connection with my own personal account will arrange to suit you if desired.

Yours very truly,
W. S. CALVERT.

EXHIBIT 84.

Unsigned letter of January 22nd, 1907, from Mr. Travers to John Knight, and reply by Mr. Knight, dated the 24th January, 1907, and unsigned letter from Travers to Knight, dated January 25th, 1907:

January 22nd, 7.

JOHN KNIGHT, ESQ.,
Secretary, The Bankers' Association,
Montreal, Que.

Dear Sir:—

I wrote to you on the 14th, asking you for what I consider are our rights under the Banking Act, to be furnished with our credentials from the Bankers' Association to enable us to enter the Clearing House here and obtain money orders.

Now if this is not forthcoming without further delay, our friends are going to bring it up in the House of Parliament and find out if the Bankers Association was incorporated for the purpose of giving a few of the larger banks the opportunity of playing the Standard Oil Company's trick in Canada.

Yours truly,

General Manager.

CANADIAN BANKERS' ASSOCIATION.

Secretary-Treasurer's Office.

Bank of Montreal Building. Montreal, January 24th, 1907.

W. R. TRAVERS, ESQ.,
General Manager, The Farmers Bank of Canada,
Toronto.

Dear Sir:—

I am in receipt of your letter of the 22nd inst. By virtue of section 2, clause B, of the Act of Incorporation of the Canadian Bankers' Association, every new bank upon obtaining a certificate from the Treasury Board at Ottawa entitling it to carry on business is a member, *nolens volens,* of the Association. If you are not in possession of a copy of the Bank Act with its appendix—our Act of Incorporation—I will furnish you with one. Enclosed, please find a copy of By-laws, also account for annual subscription of your bank (see page 10 of By-laws), which kindly remit. The plate for Bank Money Orders is in possession of Messrs. Rolph & Clark, Ltd., Toronto, to whom the banks apply direct for such supplies as they may wish to obtain.

Your admission to the Toronto Clearing House is, I think, dependent upon the will of a majority of the members present when your application to that body is considered. Your supposition that the Canadian Bankers' Association can enable you to enter the Clearing House is erroneous. You will have to pardon me if I refrain from comment upon the final paragraph of your letter, except to say that the majority of the members of the Association are courteous in their correspondence with me as its representative.

Yours faithfully,

JOHN KNIGHT,

Secretary.

January 25th. 7.

JOHN KNIGHT, ESQ.,
Secr'y, The Canadian Bankers' Association,
Montreal, Que.

Dear Sir:—

I thank you for yours of the 24th and the enclosures therewith.

I think you mean to refer me to Section 2, Clause "A" of the Act of Incorporation of the C. B. Association.

You omitted to close an account for the annual subscription, but under By-Law 12, I suppose $50.00 is the amount that is due, and I, therefore, enclose you a cheque for it.

Believe me, I had not the slightest intention of being discourteous to you so far as you personally are concerned. I always have had and hope I always will have a very kindly feeling.

Yours truly,

General Manager.

EXHIBIT 85.

Telegram, March 17th, 1906, from W. S. Calvert to W. J. Lindsay:

71 by x so 17 8 Collect 233P
HU—Ottawa, Ont., Mar. 17-06. 482

W. J. LINDSAY,
Farmers' Bank, Toronto.

Party referred to in letter declined writing.

W. S. CALVERT.

EXHIBIT 86.

Private and confidential letter, June 27th, 190 , from W. S. Calvert to W. R. Travers:

Private and confidential. Ottawa, June 27th, 190 .

W. R. TRAVERS, ESQ.,
General Manager, Farmers Bank,
Toronto.

Dear Mr. Travers,—

In reply to your favour of the 26th inst., I may say it will be impossible to get Sir Wilfrid Laurier's consent to this suggestion, but I think you are perfectly safe in placing Sir Wilfrid Laurier's picture on the bills, as in consultation with his private secretary I was informed I might safely take the risk of advising you to do so, though the Premier would not personally consent, as he has refused many applications of a similar character; but if any fault is found Sir Wilfrid does not know anything about it.

You will kindly consider this as confidential.

Yours faithfully,

W. S. CALVERT.

EXHIBIT 87.

Copy, letter, 19th November, 1906, to G. E. Valleau, Secretary British-American Bank Note Co., from General Manager of Farmers Bank:

November 19th, 6.

G. E. VALLEAU, ESQ.,

Secr'y, British-American Bank Note Co.,

Ottawa, Ontario.

Dear Sir:—

We beg to enclose the samples of the $5 and $25 bills which you left with us, which are very satisfactory, and herewith I enclose you the signature of W. Beattie Nesbitt, who will be the President of the Bank.

In addition to the limited supply of $5 and $10's which you propose to give us in time to have signed for issue after the 2nd of January next, I hope you will be able to get us out a few of the $25 notes, as they certainly are going to be very attractive and a big advertisement for us.

Yours truly,

General Manager.

EXHIBIT 88.

Copy of letter, December 4th, 1906, from the President to R. Noble, Norval, Ont.:

December 4th, 6.

ROBERT NOBLE, ESQ.,

Norval, Ontario.

Dear Mr. Noble:—

I am in receipt of yours in reply to telegram sent announcing that Mr. Travers had received our certificate.

You are quite right about the other institutions and their feeling towards us. This, of course, is only natural. However, our papers and everything were in such excellent shape owing to the care taken by Mr. Travers and Mr. Hunter, our solicitor, that it was merely a matter of presenting them to the Treasury Board and receiving our certificate. We have, judging from all inquiries I have made among my banking friends before becoming connected with The Farmers, a most capable man in our General Manager, and I am sure that you will find your suggestions to me will be just in line with the manner in which he will conduct our business.

We are in good shape now and I am satisfied will go along very rapidly indeed.

I am,

Yours truly,

President.

EXHIBIT 89.

Statement of Affairs as on December 31, 1906-07-08-09-10. Government Returns as compared with the approximate actual conditions.

IN THE MATTER OF THE FARMERS BANK OF CANADA.

MEMORANDUM RE ACCOUNTS.

Attached hereto are statements showing the condition of The Farmers Bank of Canada on 30th November, 1906, and at the end of the years 1906-07-08-09, and on December 19, 1910, the date of the suspension.

The Statements submitted include:

(A) Those compiled from the Bank's books, and Government Returns made on the various dates.

(B) Statements showing what the approximate actual conditions were at such times.

The statements showing approximate actual conditions must be accepted as approximate only, although, as a matter of fact, upon a complete audit, I have little doubt but what they would be found to vary but little from absolutely correct accounts.

It is difficult to get at exact figures in many instances by reason of the failure of the Bank to keep reports in such form as would give what is immediately required, without having to search the books as I have had to do. The accounts are involved by reason of entries put through to cover losses and defalcations.

With regard to the statement of approximate condition as on December 19, 1910, would say that I have made no allowance so as to show the depreciated value of the Bank Premises, consequent upon liquidation, but have entered in the statement the amonnt of exact expenditures upon the same. I estimate that there will be a loss upon investment in Bank Premises of $108,801. I have made no valuation of the advances to the Keeley Mine, for it is impossible to say to what extent the same may be recovered. It is not impossible that the whole may be recovered, but, on the other hand, there is an equal chance that very little may be realized from the property.

In dealing with the accounts relative to the operating losses, would say that I have not given any credit for the interest charges upon the Keeley Mine advances, for the reason that while interest was payable by the Mining Company to the Bank, such interest has yet to be received. The amount of such interest to December 19, 1909, was approximately $73,371.00.

G. C. CLARKSON.

Toronto, June 19th, 1912.

IN THE MATTER OF THE FARMERS BANK OF CANADA

Statement of Assets and Liabilities as on November 30th, 1906

	Permanent books		Statement compiled from Provisional Directors' Records and Other Data	
Liabilities				
Capital:				
Paid up in Cash	$291,310.00		$215,315.00	
Interest receipts	690.56		690.56	
Trusts & Guarantee Co.—Travers loan	.....	.....	101,500.00	
Promissory notes	.....	.....	175,830.00	
Sundry items	.....	.....	115.78	
		$292,000.56		$493,451.34
Assets.				
Bank of Montreal	250,000.00		250,000.00	
Traders Bank	762.85		762.85	
Cash on hand	9,110.00		160.70	
Furniture	.....		327.65	
A. S. Lown	.....		560.00	
Stocks and Bonds	.....		20,027.00	
Bills Receivable	.....		175,830.00	
Sundries	.....		11.30	
		$259,872.85		$447,679.50
Deficiency		$32,127.71		$45,771.84

Deficiencies are attributable to expenditures on organization expenses and bonuses.

IN THE MATTER OF THE FARMERS BANK OF CANADA

Statement of Assets and Liabilities as on December 31, 1906

Liabilities	Government Return		Approximate Actual Condition		
Capital:					
Paid up in Cash	$300,240.00		$207,007.00		
Additional Payments			511.00		
				$207,518.00	
Less amounts arising from					
Charges to Commission			6,000.00		
Included in Spread Payments			3,300.00		
				9,300.00	
				$198,218.00	
Paid by Charges for Commissions on Sales of Capital Stock				6,000.00	
Spread Payments				75,995.00	
Stocks transferred by Subscriptions				20,027.00	
Promissory notes given by subscription on account Capital Stock	$175,380.00				$300,240.00
Loans from W. R. Travers (through T. & G. Co.)				$101,500.00	
Less Spread payments, credited above			$75,995.00		
Deducted charged to Commission Account		$300,240.00	3,000.00	72,995.00	28,505.00
					$328,745.00
Legals	$ 2,000.00			2,000.00	
Deposit to secure Circulation	5,000.00			5,000.00	
Stocks and Bonds	19,000.00			20,027.00	
Deposits, Merchants National Bank	25,100.00			25,100.00	
" Union Bank	127,884.00			127,373.00	
Bank Premises	2,498.00			2,499.00	
Furniture				328.00	
Provisional Directors				560.00	
Trusts & Guarantee Co	80,605.00			80,606.00	
Cash on Hand	5,750.00				
		$267,839.00			$263,493.00
Deficiency		$32,401.00	Deficiency		$65,252.00

Deficiencies attributable to expenditures on Organization expenses, Commissions, bonuses, etc.

IN THE MATTER OF THE FARMERS BANK OF CANADA

Statement of Affairs as on December 31, 1907

Liabilities	Government Return		Approximate Actual Condition	
Capital:				
Paid up in Cash	$445,060.00		$226,943.00	
Stock Notes under discount in Branches of Bank			166,017.00	
R. E. Menzie stock note discounted in Toronto Branch			40,000.00	
Credits arising from Charges for Commission and otherwise		$445,060.00	12,100.00	$445,060.00
Notes and cash received from Stockholders credited to Profit and Loss Account, and charged to Branches				12,529.00
Due to Provincial Governments		12,419.00		12,419.00
Deposits—Demand	$189,712.00		$189,712.00	
Time	445,465.00		445,465.00	
		635,177.00		635,177.00
Due to other Banks in Canada		414.00		414.00
Other Liabilities		175.00		175.00
Notes in Circulation		247,105.00		247,105.00
		$1,340,350.00		$1,352,879.00

ASSETS.

Specie	$ 6,314.00			$ 6,314.00		
Dominion Notes	69,673.00			69,673.00		
Deposit to secure Circulation	15,000.00			15,000.00		
Notes of and checks on other banks	91,562.00			91,562.00		
Deposits in other Banks in Canada	142,201.00			142,201.00		
Due by Banks in United Kingdom	23,433.00			23,433.00		
Due by Foreign Depositories	43,437.00			43,437.00		
		391,620.00			391,620 00	
Municipal Debentures	8,824.00			8,824.00		
Stocks and Bonds	77,969.00			35,969.00		
		86,793.00			44,793.00	
Call and Short Loans in Canada	154,556.00			154,556.00		
Current Loans in Canada	554,893.00			333,876.00		
Overdue Debts	16,011.00			16,011.00		
Loans upon Capital Stock notes				166,017.00		
Accommodation notes of W. R. Travers to cover outlays re organization, etc				55,000.00		
		725,460.00			725,460.00	
Approximate value					585,460.00	
Bank Premises		115,397.00			91,039 00	
Other Assets		43,166.00			18,166.00	
			$1,362,436.00			$1,131,078.00
Surplus			$ 22,086.00	Deficiency		$ 221,801.00
Deficiency				$221,801.00		
Attributable to:			$ 86,199.00			
Bad Debts			85,000.00			
Defalcations, re Trusts & Guarantee Loan...$8,927.00						
Fixtures and Furniture..... 3,500.00						
		12,427.00				
Operating losses		46,017.00				
		$229,643.00				
Less Premiums received on capital stock		7,739.00	$221,904.00			

IN THE MATTER OF THE FARMERS BANK OF CANADA

Statement of Affairs as on December 31st, 1908

Liabilities	Government Return			Approximate Actual Condition		
Capital:						
Paid up in Cash	$555,254.00			$395,678.00		
Paid by Tevis Loan				115,000.00		
Stock Notes under discount in Branches of Bank				32,476.00		
Credits arising from charges to Commission, and otherwise		$555,254.00		12,100.00	$555,354.00	
Due to Provincial Government		37,165.00			37,165.00	
Deposits—Demand	414,172.00			276,395.00		
Time	968,644.00			968,644.00		
Keeley Mine, Limited		1,382,816.00		139,777.00		
					1,382,816.00	
Due to other Banks in Canada		693.00			693.00	
Other Liabilities		11,764.00				
Unpaid dividends					11,082.00	
Notes in Circulation		308,745.00			308,745.00	
			$2,296,437.00			$2,295,755.00
Assets						
Specie	7,238.00	7,238.00		7,238.00		
Dominion Notes		63,812.00		63,812.00		
Deposit to secure circulation		15,000.00		15,000.00		
Notes and checks of other Banks		156,291.00		156,291.00		
Deposits with other Banks in Canada		150,146.00		150,146.00		
Deposits with Banks in United Kingdom		9,550.00		9,550.00		
Deposits with Foreign Depositories		14,448.00		14,448.00		
		416,485.00			416,485.00	
Stocks and Bonds		318,294.00			30,294.00	
Call and Short Loans in Canada		591,518.00		121,518.00		
J. Tevis, Call Loan				120,000.00		
Keeley Mine Limited, Call Loan				350,000.00		
Current Loans in Canada		782,600.00		750,124.00		
Capital stock notes under discount				32,476.00		
Overdue Debts		12,122.00		12,122.00		
		1,386,240.00		1,386,240.00		

Approximate value (exclusive of Keeley Mine Advance)....				737,440.00	
Keeley Mine Limited, advance				350,000.00	
Bank Premises.....	154,654.00			144,666.00	
Other Assets.....	49,554.00				
Bank Notes, Printing.....			2,432.00		
Stationery.....			22,122.00		
Deposit Trusts & Guarantee Co.....			25,000.00	25,000.00	
	2,325,227.00			1,703,885.00	
Surplus.....		28,790.00	Deficiency.....		$591,870.00
Deficiency.....				$591,870.00	
Attributable to: Bad Debts.....			$298,800.00		
Bank Note Printing.....			6,432.00		
Stationery.....			22,122.00		
Organization.....			86,199.00		
Operating losses.....			96,852.00		
Dividends paid.....			19,344.00		
Sundries.....			560.00		
Defalcations, re Fixtures and Furniture a/c.....		$3,500.00			
T. & G. Co., Loan.....		8,927.00			
Continental Securities.....		21,675.00			
McCallum & Tamlin.....		40,000.00			
$13,000 additional included in bad debts to cover notes, on hand.....			74,102.00		
W. Beattie Nesbitt.....			5,000.00		
			609,411.00		
Less Credit from J. Tevis Loan.....		5,000.00			
Premiums received from sale Capital Stock.....		12,763.00	17,763.00	$591,648.00	

IN THE MATTER OF THE FARMERS BANK OF CANADA

STATEMENT OF AFFAIRS AS ON DECEMBER 31ST, 1909

LIABILITIES	GOVERNMENT RETURN			APPROXIMATE ACTUAL CONDITIONS		
Capital:						
Paid up in Cash	$567,357.00			$414,005.00		
Paid by Tevis Loan				115,000.00		
Stock Notes under discount in Bank				19,052.00		
Credits arising from charges to Commission and otherwise				12,100.00		
Stock repurchased by W. R. Travers out of proceeds of call loans discounted by Bank				7,200.00		
		$567,357.00			$567,357.00	
Due to Provincial Governments		45,254.00			45,254.00	
Deposits Demand	240,703.00			240,703.00		
Time	1,407,417.00			1,407,417.00		
		1,648,120.00			1,648,120.00	
Other Liabilities, unpaid dividends		11,550.00			11,550.00	
Notes in Circulation		326,720.00			326,720.00	
			$2,599,001.00			$2,599,001.00
ASSETS.						
Specie	$9,862.00			9,862.00		
Dominion Notes	64,857.00			64,857.00		
Deposit to secure circulation	17,000.00			17,000.00		
Notes and checks of other banks	98,232.00			98,232.00		
Deposits with other banks in Canada	45,821.00			45,821.00		
Deposits with Banks in United Kingdom	3,974.00			3,974.00		
Due by Foreign Depositories	20,262.00			20,262.00		
		260,008.00			260,008.00	
Stocks and Bonds		403,264.00			48,264.00	
Call and Short Loans in Canada	623,157.00			134,028.00		
J. Tevis Call Loan				120,000.00		
W. R. Travers Loans appropriations (included in Keeley Mine a/c) and overdraft				65,271.00		
Beattie Nesbitt (included in Keeley Mine a/c)				5,000.00		
Keeley Mine Limited, including interest charges				478,654.00		
Capital Stock notes				19,052.00		
Overdue debts	14,633.00			14,633.00		
Current Loans in Canada	1,035,996.00			837,148.00		
		1,673,786.00			1,673,786.00	

Value, apart from Keeley Mine				658,898.00	
Keeley Mine Ltd., loans exclusive of interest charges				446,925.00	
Bank Premises		156,349.00		146,361.00	
Other Assets		155,254.00			
Trusts & Guarantee Co			124,009.00	124,009.00	
Bank Note Printing			3,558.00		
Stationery			27,396.00		
Sundries			291.00		
					$1,648,465.00
		$2,648,661.00			
Nominal Surplus		$49,660.00	Deficiency		$904,536.00
Attributable to—Bad Debts			$466,234.00		
Less included in defalcations Chapman			20,500.00		
			445,734.00		
Bank Note Printing			7,358.00		
Stationery			27,396.00		
Organization Expenses			87,269.00		
Operating Losses			160,396.00		
Dividends			41,754.00		
Sundries		102,427.00	560.00		
Defalcations W. R. Travers		21,675.00			
Tamlin & McCallum		35,000.00			
			159,102.00		
			929,579.00		
Less Premiums received on sale of stock		$14,935.00			
Credit from Tevis Loan	5,000.00		20,562.00		
Profits on purchase and sale of stocks	627.00				
			909,017.00		
Unascertained difference			4,481.00		
				$904,536.00	

IN THE MATTER OF THE FARMERS BANK OF CANADA

Statement of Affairs as on December 19th, 1910

Liabilities	Government Return			Approximate Actual Condition		
Capital:						
Paid up in Cash	$567,579.00			$424,506.00		
Paid by Tevis Loan				115,000.00		
Stock notes under discount in Bank				4,600.00		
Credits arising from charges to Commission, and otherwise				12,100.00		
Stock repurchased out of funds borrowed from Bank				10,373.00		
		$567,579.99			$567,579.00	
Due to Provincial Governments		26,533.00			26,533.00	
Deposits—Demand	229,495.00			221,775.00		
Time	992,599.00			992,599.00		
		1,222,094.00			1,214,374.00	
Due to Other Banks in Canada		844.00			844.00	
Other Liabilities:						
Trusts & Guarantee Co	224,095.00			224,095.00		
Dividends	280.00			280.00		
Sundry Items	305.00			305.00		
		224,660.00			224,660.00	
Notes in Circulation		538,195.00			538,195.00	
			$2,579,905.00			$2,572,185.00
Assets.						
Specie	7,271.00			7,271.00		
Dominion Notes	10,033.00			10,033.00		
Notes of and checks on other Banks	55,029.00			55,029.00		
Deposit to secure circulation	20,250.00			20,250.00		
Due by other Banks in Canada	11,224.00			11,224.00		
Due by Banks in United Kingdom	8,611.00			8,611.00		
Due by Foreign Depositories	5,031.00			5,031.00		
Cash Items	46,286.00			46,286.00		
		163,835.00			163,835.00	
Stocks and Bonds		650,977.00			111,702.00	
Call Loans	389,131.00			72,331.00		
Current Loans in Canada	1,147,354.00			792,094.00		
Overdue Debts	71,177.00			71,177.00		
Keeley Mine Limited, including interest				583,258.00		
Stock notes under discount				4,600.00		
Balance Tevis Loan				25,000.00		
Notes, proceeds of which were used to repurchase capital stock				10,373.00		
W. R. Travers notes and obligations proceeds of which were obtained by him				48,829.00		
		1,607,662.00				
				1,607,662.00		

Valued at, exclusive of advances to Keely Mine, Limited				352,335.00	
Keeley Mine Ltd., advances, exclusive of interest				509,886.00	
Bank Premises	158,105.00			148,117.00	
Other Assets	48,249.00				
Trusts & Guarantee Co			12,978.00	12,978.00	
Surety Bond			646.00	646.00	
Bank Note Printing			3,557.00		
Stationery			31,068.00		
		2,628,828.00			1,299,499.00
Surplus		$48,923.00	Deficiency		$1,272,686.00
Attributable to Bad Debts				$1,272,686.00	
Less W. Beattie Nesbitt loans		$653,565.00			
		55,000.00			
			598,565.00		
Bank note printing			7,558.00		
Stationery			30,959.00		
Organization charges			87,279.00		
Operating losses			242,602.00		
Dividends			53,058.00		
Defalcations			211,868.00		
W. Beattie Nesbitt loans and stock			60,000.00		
Keeley Mine stock purchased			15,000.00		
Sundry items			3,274.00		
Less			1,310,163.00		
Interest reservations and charges included in above but not in accounts to December 19, 1910		14,287.00			
Credit from J. Tevis loan		4,500.00			
Charged to Ontario Leather Co		2,250.00			
Premiums on Capital Stock		14,935.00			
Profit on stocks		627.00			
			36,599.00		
				$1,273,564.00	

EXHIBIT 90.

Stub cheque book:

forw'd $

No. 1

Nov. 2nd, 1906.

Favor ALEXANDER & CABLE LITHO CO. LTD.

$12.25. $

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forw'd $

No. 2

Nov. 2nd, 1906.

Favor MISS J. A. McKENNA, salary to date.

$37.50. $

---

forw'd $

No. 3

Nov. 2nd, 1906.

Favor J. DICK, care of office to Oct. 31, '06.

$8.00. $

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forw'd $

No. 4

Nov. 2nd, 1906.

Favor VERNEY'S MONTHLY, 12 mos. sub'n expires Oct. 4, '07.

$2.00. $

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forw'd $

No. 5

Nov. 2nd, 1906.

Favor GEO. KERR, Commissions to date.

$65.00. $

---

forw'd $

No. 6

Nov. 7th, 1906.

Favor C. H. SMITH, salary in full.

$75.00. $

forw'd $

No. 7

Nov. 10th, 1906.

Favor JOHN METCALFE, furnishing sign, etc.

$4.00. $

No. 8

Nov. 10th, 1906.

Favor MISS J. A. McKENNA, salary to date.

$12.50. $

---

forw'd $

No. 9

Nov. 12th, 1906.

Favor W. R. TRAVERS, commissions.

$250.00.

---

forw'd $

No. 10

Nov. 15th, 1906.

Favor GEORGE RICHARDSON, commission *re* Emma Latch.

$64.00. $

---

forw'd $

No. 11

Nov. 16th, 1906.

Favor MISS J. A. McKENNA, salary to date.

$12.50. $

---

forw'd $

No. 12

Nov. 16th, 1906.

Favor C.P.R. TELEGRAPH CO., Sept. and Oct. accounts.

$3.23. $

forw'd $

No. 13

Nov. 17th, 1906.

Favor D. S. MACORQUODALE, Account W. R. Travers' expense account. D.S.M.

$25.00. $

---

forw'd $

No. 14

Nov. 20th, 1906.

Favor JAMES DICK, care of office in N.A. Life Bldg., in full.

$3.00. $

---

forw'd $

No. 15

Nov. 21st, 1906.

Favor A. R. SHAVER, salary one month and half.

$112.50. $

---

forw'd $

No. 16

Nov. 21st, 1906.

Favor W. R. TRAVERS, commission account.

$1,000.00. $

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forw'd $

No. 17

Nov. 23rd, 1906.

Favor W. R. T.

$1,000.00. $

---

forw'd $

No. 18

Nov. 23rd, 1906.

Favor MISS McKENNA, salary.

$12.50. $

forw'd $

No. 19

Nov. 24th, 1906.

Favor PETTY CASH.

$25.00. $

---

forw'd $

No. 20

Nov. 24th, 1906.

Favor GEORGE RICHARDSON.

$10.00. $

---

forw'd $

No. 21

Nov. 24th, 1906.

Favor GEORGE RICHARDSON.

$70.00. $

---

forw'd $

No. 22

190

Favor

CANCELLED.

$ $

---

forw'd $

No. 23

Nov. 27th, 1906.

Favor EXPENSES W. R. TRAVERS AND W. H. HUNTER to Ottawa and Montreal *re* Treasury Certificate.

$100.00. $

---

forw'd $

No. 24

Dec. 4th, 1906.

Favor THE BELL TELEPHONE CO., Oct. account.

CANCELLED.

$11.85. $

forw'd $

No. 25

Dec. 1st, 1906.

Favor SALARIES,
J. G. FITZGIBBON...$50.00
MISS McKENNA 12.50

$62.50. $

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forw'd $

No. 26

Dec. 4th, 1906.

Favor GUTHRIE & PRINGLE.

$110.00. $

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forw'd $

No. 27

190

Favor

CANCELLED.

$ $

---

forw'd $

No. 28

Dec. 4th, 1906.

Favor MASTEN, STARR AND SPENCE.

$10.00.

---

forw'd $

No. 29

Dec. 4th, 1906.

Favor D. S. MACORQUODALE, Commissions in full.

$750.00. $

---

forw'd $

No. 30

Dec. 5th, 1906.

Favor JAMES STEWART—Symons & Rae's Certificate No. 2421.

CANCELLED.

$655.48. $

forw'd $

No. 31

Dec. 5th, 1906.

Favor THE MONETARY TIMES account in full.

$12.00. $

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forw'd $

No. 32

Dec. 5th, 1906.

Favor O. B. STANTON & WILSON CO., account to Nov. 1st, '06.

$46.28. $

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forw'd $

No. 33

Dec. 5th, 1906.

Favor UNITED TYPEWRITER CO., account to Nov. 1st, '06.

$1.20. $

---

forw'd $

No. 34

Dec. 5th, 1906.

Favor THE BELL TELEPHONE CO., contract account; difference to Feb. 1, '07.

CANCELLED.

$ .45. $

---

forw'd $

No. 35

Dec. 5th, 1906.

Favor THE BELL TELEPHONE CO. Oct. account.....$11.85
Contract account ..... .45

$12.30

$12.30. $

---

forw'd $

No. 36

Dec. 6th, 1906.

Favor T. & G. CO.

$30,000.00. $

forw'd $

No. 37

Dec. 6th, 1906.

Favor W. H. HUNTER, on account.

$250.00. $

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forw'd $

No. 38

Dec. 6th, 1906.

Favor THE MAIL PRINTING CO.

$196.98.

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forw'd $

No. 39

Dec. 6th, 1906.

Favor JAMES STEWART — Symons & Rae's Certificate No. 2442 to date.

$2,498.60. $

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forw'd $

No. 40

Dec. 6th, 1906.

Favor W. J. LINDSAY.

$10,000.00. $

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forw'd $

No. 41

Dec. 7th, 1906.

Favor THE STANDARD, account to date.

$21.00. $

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forw'd $

No. 42

Dec. 7th, 1906.

Favor T. & G. CO.

$25,000.00. $

forw'd $

No. 43

Dec. 7th, 1906.

Favor W. R. TRAVERS, commissions.

$5,000. $

---

forw'd $

No. 44

Dec. 8th, 1906.

Favor W. J. LINDSAY, Commissions.

$1,000.00. $

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forw'd $

No. 45

Dec. 8th, 1906.

Favor A. S. LOWN, commissions.

$300.00. $

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forw'd $

No. 46

Dec. 13th, 1906.

Favor THE TRADERS BANK, Harry P. Tulle's cheque returned.

$50.70. $

---

forw'd $

No. 47

Dec. 14th, 1906.

Favor THE GLOBE PRINTING CO., contract account to Dec. 1st, '06.

$181.65.

---

forw'd $

No. 48

Dec. 14th, 1906.

Favor W. R. TRAVERS, travelling expenses.

$117.00. $

forw'd $

No. 49

Dec. 15th, 1906.

Favor Cash, J. G. FitzG....$50.00
Salaries, A. R. S..... 37.50
Miss McK. .. 25.00

$112.50

$112.50. $

forw'd $

No. 50.

Dec. 17th, 1906.

Favor T. & G. CO.

$25,605.81.

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forw'd $

No. 51

Dec. 19th, 1906.

Favor THE UNION BANK OF CANADA.

$50,000.00. $

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forw'd $

No. 52

Dec. 19th, 1906.

Favor W. R. TRAVERS.

$1,800.00.

forw'd $

No. 53

Dec. 19th, 1906.

Favor UNION BANK OF CANADA.

$25,015.63. $

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forw'd $

No. 54

Dec. 19th, 1906.

Favor ASSIST. RECEIVER-GENERAL.

$2,000.00.

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forw'd $

No. 55

Dec. 21st, 1906.

Favor THE UNION BANK OF CANADA.

$74,579.53. $

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forw'd $

No. 56

Jan. 3rd, 1906.

Favor THE UNION BANK OF CANADA.

$264.16. $

EXHIBIT 91.

Letter from T. C. Boville, Deputy Minister of Finance, to W. R. Travers, May 2nd, 1907, and unsigned copy of letter in reply from Travers of May 11th, 1907.

FINANCE DEPARTMENT,

OTTAWA, CANADA, May 2nd, 1907.

W. R. TRAVERS, Esq.,

General Manager, Farmers Bank of Canada,
Toronto, Ont.

SIR:—

I am directed by the Honourable the Minister of Finance to call for a Special Reteurn of your Bank showing:

1. What portion, if any, of the $375,473 paid-up capital of the Bank, as per Return of Liabilities and Assets of March 30th, 1907, is represented by promissory notes or other obligations of shareholders or the proceeds of the same of which the Bank is the holder or is liable thereon;

2. The names and holdings of stock of such shareholders, if any, with particulars of such notes or obligations now current.

In this connection let me draw your attention to sub-sections 2 and 3 of Section 113 of the Bank Act. I should be very much obliged to have this information at your very earliest convenience.

I have the honour to be,

Sir,

Your obedient servant,

T. C. BOVILLE,

Deputy Minister of Finance.

T. C. BOVILLE, Esq.,

Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR:—

I have the honor to enclose herewith return of the Liabilities and Assets of this Bank to the 30th of April last, and also the special Return asked for in your letter of May 2nd.

Yours truly,

General Manager.

EXHIBIT 92.

Copy of what purports to be minute of meeting of provisional directors of 24th November, 1906.

TORONTO, November 24th, 1906.

Minutes of the special meeting of the Provisional Directors, held in the office of the Bank, Stair Building, Saturday, November 24th at 11 a.m.

Moved by Alexander Fraser:

Seconded by Dr. Ferguson:

That the following stock be, and is hereby allotted:

Nesbitt, William B.	Toronto	100	shares	$10,000.00
Lown, A. W.	"	1	"	100.00
Hunter, W. H.	"	1	"	100.00
Macorquodale, D. S.	"	1	"	100.00
Wood, W. R.	"	1	"	100.00
Macquordale, B. D.	"	1	"	100.00
Macquordale, F. D.	"	1	"	100.00
Parmenter, L. S.	Flushing, N.Y.	1	"	100.00
Fitzgibbon, J. G.	Toronto	1	"	100.00
Latch, Miss Emma	"	8	"	800.00
Wilson, Maggie E.	"	5	"	500.00
Gallagher, James	"	1	"	100.00
Thomas, Arnold W.	"	10	"	1,000.00
Luxton, A. G. H.	Milton	10	"	1,000.00
Bradley, A. B.	Georgetown	10	"	1,000.00
Linton, Adam	Guelph	10	"	1,000.00
Richardson, Rev. Geo.	Toronto	1	"	100.00
Gilchrist, John	"	30	"	3,000.00

Moved by James Gallagher:

Seconded by Dr. Ferguson:

That the report of the Provisional Board as submitted by the Chairman be approved and presented to the meeting of the shareholders on Monday, 26th inst.

EXHIBIT 93.

Copy in Mr. Fitzgibbon's figures (in pencil) of the cashbook of bank for first month after organization.

Capital %	.....	$321,903.00
Premium %	.....	407.00
Receiver Genl	$5,000.00	.....
Circulation	.....	205,000.00
Organization	50,975.21	.....
Trust and Guarantee Co	80,605.81	.....
Bank Premises	13,583.00	.....
Toronto Branch	348,015.62	.....
Burgessville	870.00	.....
Kerwood	50.00	.....
Milton	9,830.00	.....
Norval	2,390.00	.....
Williamstown	72.50	.....
Furniture and Fixtures	9,697.35	.....
Exchange	7.24	.....
Interest	.....	962.94
Discount on A. P.	1,555.04	.....
Stationery	1,980.10	.....
Petty Cash	50.00	.....
Charges %	3,591.07	.....
	$528,272.94	$528,272.94

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....31st Dec. 1906.....BRANCH. CR.

Date	Particulars	B'ch.	Amount	Total	Date	Particulars	B'ch.	Amount	Total
	Cap. a/c.....			$291,310.00		Rec. Gen.....		$250,000.00	
				590.00					$ 245,000.00
				220.00					Dr. 5,000.00
				40.00					
				50.00					
				2,000.00					
				2,250.00		Charges.....		162.50	
				500.00				71.78	
				900.00				446.98	
				1,710.00				21.00	
				670.00				298.65	
								112.50	
				300,240.00	Cr.				
	Traders Bk.....	Bal.	762.85	162.50				1,113.41	
			110.00	870.00					
				71.78					
			245,889.80	42,945.58					
			220.00						
			39.90	30,021.00		Prem. on Stock.....			102.50
			50.00	1,300.00					
			5,000.00	50.70					
			2,261.13	298.65					
			500.00	112.50					
				25,605.81					
				78,815.63					
				74,579.53					
			254,833.68	254,833.68		Exch.....		.20	61.50
								.10	
								.37	25.00
								15.63	
	Int. a/c.....		Cr. 690.56					1.14	
								1.30	
									86.50

				Exch.		18.74
						17.76
Organ. Exps.		32,127.71		Notes and Checks		5,750.70
		120.00		Legals		2,000.00
		10,750.00				
		5,000.00				
		1,300.00		Trust and Guar		30,000.00
		1,800.00				25,000.00
						25,605.81
		51,097.71				80,605.81
Union Bank	Bal.	50,000.00		Bank Prem		2,498.60
Current		925.00				
		74,579.53				
		200.00				
		1,409.00				
		259.86				
		511.20		N. Y.		25,000.00
						100.00
		127,884.59				25,100.00

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH..... .....BRANCH CR.

Date	Particulars	Bch.	Amount	Total	Date	Particulars	Bch.	Amount	Total
								$ 193,925.00	
	J. Sproat (W. J L.).....		$ 59,395.00					3,510.00	
	W. A. Dixon.....		1,000.00					4,940.00	
	W. J. L.....		500.00					140.00	
			5,000.00					202,515.00	
			65,895.00	$ 65,8 5.00				65,895.00	
								19,900.00	
								288,310.00	
						G't'd.....		3,000.00	
								291,310.00	
						19.....	2	20.00	$ 5.00
							1	10.00	2.50
							2	20.00	5.00
							1	10.00	2.50
							2	20.00	5.00
						20.....	1	10.00	2.50
							1	10.00	2.50
							1	10.00	2.50
							5	50.00	12.50
							2	20.00	5.00
							1	10.00	2.50
							2	20.00	5.00
							1	10.00	2.50
							2	20.00	5.00
						21.....	1	10.00	2.50
							1	10.00	2.50
							1	10.00	2.50
							1	10.00	2.50
							2	20.00	5.00
							2	20.00	5.00
							3	30.00	7.50

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DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....BRANCH. CR.

Date	Particulars	Bch.	Amount	Total	Date	Particulars	Bch.	Amount	Total
1907	Paid up Cap. Pro. Dir. Received from Int. a/c.			$291,310.00 690.56		Rec. Gen'l. Traders Bk.		$250,000.00 762.85	
Nov. 27	Cap't. a/c.			62.50		Organ. Exp.		32,727.71	
	Traders Bk.		$ 25.23	100.00		Traders Bk.	Dept.		$ 110.00
	Bennett.		50.00			Charges, Travelling.			100.00
	McLennan.		500.00			Salaries.		62.50	62.50
	A. J. Ross.		40.00	590.00					
	Rec. Gen.		245,000.00	245,000.00		Traders Bk.			245,889.80
	Traders Bk.					Exchange.			.20
	Ck. 26.		110.00						
	28.		10.00						
	29.		750.00	870.00		Western Organ.			10.00
	Cap. a/c.					Guthrie.			110.00
	Hamill.		100.00						
	Vise.		100.00			Organ.			750.00
	Brusl.		20.00	220.00		D. S. Mac.			
	Traders.		12.00			Traders Dept.			220.00
	31.		46.28						
	32.		1.20			Charges a/c to Mis.		12.00	
	33.		12.30			Bell Tel.		1.20	13.20
	35.			71.78		Stat'y.			46.28
						Bell Tel.			12.30
	Cap. a/c.								
	Simpson.		30.00			Traders Dept			39.90
	O'Hagan.		10.00	40.00					
						Exchange.			.10
	Traders:								
	36.		30,000.00			Trust & G. Co.			30,000.00
	37.		250.00						
	38.		196.98			Charges, Legal.			250.00
	39.		2,498.60			" Mail.			196.98
	40.		10,000.00	42,945.58					

Nov. 27	Cap. a/c:				Bank Prem.		2,498.6
	McClure		50.00				10,000.00
	Traders Bk.:				Organ Exp.		50.00
	41		21.00		Traders		
	42		25,000.00		De		
	43		5,000.00				
			30,021.00				
			611,971.42				573,250.42

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....BRANCH. CR.

Date	Particulars	B'ch.	Amount	Total	Date	Particulars	B'ch.	Amount	Total
	Brought forward.....			$611,971.42		*Brought forward*.....		.....	$ 573,250.42
	Cap a/c.....					Charges, Adv.....			21.00
	Dr. B. Nesbitt.....			$ 2,000.00					
	Traders.....					Trust & Guar.....			25,000.00
	44.....		1,000.00						
	45.....		300.00	1,300.00		Stock Com. Navus organ.			5,000.00
	46.....			50.70					
	47.....		181.65			Traders, Dep.....			5,000.00
	48.....		117.00	298.65					
	Cap. a/c.....					Stock Com.....			
	Fulton.....		60.00			Lindsay.....		$ 1,000.00	
	Tolton.....		250.00			Lowns, Organ.....		300.00	1,300.00
	McMillan.....		50.00			Willis ck. 50.70 For Ag'ts			50.70
	Foster.....		120.00			Charges, Adv.....			181.65
	Munro.....		1,750.00			Charges, Trav.....			117.00
	Sackriow.....		20.00	2,259.00		Traders, Dep.....			2,261.13
	Exch.....		11.50			Exchange.....			.37
	Traders.....					Charges.....			
	49.....			112.50		Salaries.....			112.50
	50.....			25,605.81		Trust & Guar.....			25,605.81
	Cap a/c.....					Traders.....			500.00
	Gow.....		40.00			Union Bk.....			925.00
	Cooke, R.....		80.00						
	Hobson.....		300.00			.....			50,000.00
	Anderson, Herb.....		80.00	500.00					
20th	Deposits.....					Stock Com.....			
	B. Nesbitt.....			25.00		Naons, Organ.....			1,800.00
	Cap. a/c.....								
	J. A. Davidson		50.00			Melrick Cy.....			25,000.00
	Arkell.....		30.00						
	Cooke, Edw.....		270.00			Exch.....			15.63
	Armstrong.....		50.00						
	Shreve.....		40.00			Union Bk.....			74,579.53
	Ratz, Ind.....		300.00						
	McDonald, Alex.....		100.00			McNab, B.....			100.00
	Watt, J. A.....		60.00	900.00		Union.....			200.00
	Carried forward.....		.....	$645,014.08		*Carried forward*.....		.....	791,020.74

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....BRANCH. CR.

Date	Particulars	B'ch.	Amount	Total	Date	Particulars	B'ch.	Amount	Total
	Brought forward.....			$645,014.08		*Brought forward*.....			$ 791,020.74
	Traders.....					Union Bk.....			1,409.00
	51.....		$50,000.00			Exch.....			1.00
	52.....		1,800.00			Union.....			259.86
	53.....		25,015.63			Exch.....			.14
	54.....		2,000.00	78,815.63		Union Bk.....			511.20
	55.....			74,579.53		Exch.....			1.30
21	Cap. a/c.....								
	Patterson.....			100.00					793,103.24
	Stewart.....		100.00						
22	Little.....		100.00	200.00		Bal on hand.....			
24	Parmenter.....		10.00			Cks.....		$ 5,750.70	
	Robb, Wm.....		1,400.00	1,410.00		Legals.....		2,000.00	
31	Noble, R.....		140.00						
	Whyte.....		30.00						800,903.24
	Turner.....		90.00	260.00					
	39 Shares Cap. a/c.....			410.00		Cap. a/c.....		301,240.00	
	Prem.....			102.50		Int. a/c.....		690.56	
	Exch.....			11.50		Prem. on Stock.....		102.50	
				$801,903.24		Exchange.....		17.76	
								301,050.82	
	Organ. Expenses.....		51,097.71						
	Union Bank.....		127,884.59						
	Rec. Gen.....		5,000.00						
	Charges.....		1,113.41						
	Notes and Cks.....		5,750.70						
	Legals.....		2,000.00						
	Trusts and Guar.....		89,605.81						
	Bk. Prem.....		2,498.60						
	N.Y.....		25,100.00						
			$301,050.82						

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....22nd Jan'y, 1907.....BRANCH CR.

Date	Particulars	B'ch.	Amount	Total	Date	Particulars	B'ch.	Amount	Total
	Furniture & Fixtures....		$ 7.95						
			290.35						
			433.00						
			650.00						
			747.07						
			2,128.37						
	Commission a/c.....								
	W. R. T.....		3,000.00						
	J. Patterson.....		500.00						
	Tor. Br.....		100.00						
Jan. 4	Legals.....		2,000.00						
	"		2,000.00						
			610.00						
			426.90						
			5,000.00						
			562.25						
			25,000.00						
			710.33						
			19,560.28						
			2,808.62						
			232.57						
			4,114.29						
			3,203.57						
			864.16						
			10.00						
			495.00						
			200.00						
			105.00						
			210.00						
			550.00						
			115.00						

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....22nd Jan'y, 1907.....BRANCH CR.

Date	Particulars	B'ch.	Amount	Total	Date	Particulars	B'ch.	Amount	Total
	Organ. Exp.		$51,097.71			Cap. a/c			$300,240.00
			30.00						600.00
			10.00						10.00
			50.00						495.00
			764.50						200.00
			51,952.21						105.00
									210.00
									550.00
									115.00
									100.00
									3,026.25
	Rec. Gen'l		5,000.00						
	Union, Opt		50,000.00	$50,000.00					
	" Current		77,884.59						
				7.95		Prem. on Stk			102.50
				100.00					
				290.35		Int. a/c			690.56
				433.00				101.58	264.16
				30.00					8.22
				10.00					
				50.00				861.36	962.94
				650.00					
				75.00					
				764.50					
				2,000.00		Charges		1,113.41	
				3,000.00		Bradstreets		75.00	
				610.00				50.00	
				426.90				106.05	
				5,000.00				887.08	
				562.25				173.88	
				25,000.00				32.00	
				710.33					
				19,560.28				2,131.42	
	Carried forward					*Carried forward*			

DR. HEAD OFFICE IN ACCOUNT CURRENT WITH.....BRANCH—*Continued* DR

DATE	PARTICULARS	B'CH.	AMOUNT	TOTAL	DATE	PARTICULARS	B'CH.	AMOUNT	TOTAL
	Brought forward.....					*Brought forward*.....			
				$ 500.00					
				2,808.62					
			$ 232.57						
				4,114.29					
				3,203.57					
				70,739.61		Exchange.....			$ 17.76
				7,744.98		Exch.....		$ 25.00	
				77,884.59					
						Bank Prem.....		2,498.60	
								750.00	
								1,600.00	
	Trust & Guar.....		80,605.81					2,334.82	
								194.08	
								500.00	
								7,877.50	
	N. Y.....		25,100.00			Cash.....			5,750.70
			8.22					5,750.70	
				25,108.22					

EXHIBIT 94.

Alphabetical list of Stock subscriptions as represented in the documents furnished as a list of shareholders when application for certificate of the Treasury Board was made, and payments thereon to 27th November, 1906. (Clarkson's)

Memorandum Re Farmers Bank of Canada.

Stock Subscriptions as represented in the Document furnished as a List of Shareholders when Application for the Certificate of the Treasury Board was made, and Payments thereon to November 27th, 1906.

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Armstrong, R. W	Bracebridge	Mch. 26/06	1	100	Apl. 30/06	50						
Anthony, F. W	Norval	Apl. 4/06	1	100	Apl. 30/06	10		90				
Adams, Benj	Finch	" 7/06	5	500	" 30/06	500						
Augustine, W. A	Arkona	May 4/06	1	100	May 15/06	100						
Aitkens, Thos	Milton	" 16/06	25	2500	" 22/06			2500		2500	15-Apl. 17/07	
Alderson, T	Drumquin	" 26/06	5	500	June 6/06	50		450			5-Oct. 20/09	
Andrews, J. W	Milton	" 29/06	2	200	" 6/06	20		180				
Arnald, A	Kingsville	June 9/06	3	300	July 4/06	300						
Amey, E. B	Camden East	" 2/0	2	200	" 4/06	200						
Anderson, R. K	Milton	May 20/06	10	1000	" 4/06	300						
Allin, Jesse	Holbrook	June 21/06	10	1000	" 4/06	100		900	600			
Alwin, C. S	Freeman	July 7/06	10	1000	" 9/06			1000		500	10-Dec. 15/07	
Appleyard, T. E	Georgetown	" 26/06	1	100	" 31/06	100						
Appleyard, Albt	"	" 26/06	1	100	" 31/06	100						
Arkell, Peter	Teeswater	" 25/06	1	100	" 31/06	60						
Allin, Jesse Mrs	Holbrook	" 20/06	5	500	" 31/06	50		450				
Allin, Hiram	Ostrander		5	500	" 31/06	200		300				
Allin, Nellie	"		5	500	" 31/06	200		300				
Ainslie, M. F	Drumbo	Aug. 2/06	2	200	Aug. 13/06	200						
Ainslie, Mary J	"	" 2/06	2	200	" 13/06	200						
Appleyard, Albert	Georgetown	July 26/06	5	500	" 13/06	500						
Alexander, John	Palermo	Aug. 23/06	8	800	Sept.o 5/06	800						
Anderson, Martha	Fingal	Sept.o10/06	2	200	" 24/06	20						
Brimblecomb, Wm	Drayton	Aug. 16/04	5	500	Dec. 23/04	25						
Brand, C. A	Embro	Sept. 30/05	5	500	Nov. 7/05	500						
Brown, J. G	Humber Bay	Mar. 31/06	2	200	Apr. 30/06	200						
Barnhill, John	Norval	" 31/06	2	200	" 30/06	200						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Bowley, Jas.	Strathroy	Apr. 28/06	10	1000	Apr. 30/06	500					10-Nov. 17/09	
Bell, Geo. A.	Lowville	May 5/06	3	300	May 15/06	30		270				
Bell, Geo. A.	"	" 30/06	7	700	June 6/06	70		630				
Brandon, J. S.	Milton	" 7/06	5	500	May 15/06							
Beaty, Wm. T.	Omagh	" 9/06	50	5000	" 15/06			5000		5000	30-Apr. 17/07	
Bate, Jos. E.	Scotch Block	" 11/0	50	5000	" 15/06			5000		5000	30-Apr. 17/07	
Bunt, W. T.	Springford	" 14/06	2	200	" 22/06	20		180	40			
Bridgman, B.	Zimmerman	" 22/06	1	100	" 22/06	45		360				
Bridgman, B.	Zimmerman	" 31/06	4	400	June 6/06	40						
Bowes, G. S.	Milton	" 26/06	2	200	" 6/06			200	200			
Bradshaw, J. L.	Stratford	" 26/06	5	500	" 6/06	250						
Brough, Jas.	Springford	" 15/05	5	500	July 4/06	500						
Brough, Ida L.	Springford	June 15/05	2	200	July 4/06	200						
Bowman, Wm.	Georgetown	" 27/06	5	500	" 4/06	50		450				
Bennett, D. H.	Zimmerman	" 22/	10	1000	" 4/06	100	125. a e N.	900	100	(See also paid by Securities).		
Brown, R. L.	Georgetown	" 27/06	50	5000	" 4/06			5000	500			
Bingham, John	"	" 28/06	1	100	" 4/06	10		90				
Burland, G. B.	Montreal	" 27/06	150	15000	" 4/06	2000						
Brown, Jno. K.	Georgetown	July 2/06	20	2000	" 9/06	200		1800				
Bowand, Bessie K. (Rowand)	Walkerton	" 10/06	10	1000	" 9/06	1000						
Bell, Robert	Zimmerman	" 10/06	10	1000	" 12/06			1000		1000	10-Apr. 17/07	
Burgess, C. E.	Burgessville	" 28/06	1	100	" 31/06			100				
Burwell, Matilda	London	" 30/06	6	600	" 31/06	600						
Burwell, Edward	"	" 30/06	10	1000	" 31/06	1000						
Baskett, Sarah	Ballymote	" 21/06	1	100	" 31/06	100						
Bobier, A. F.	Pt. Talbot	" 27/06	2	200	Aug. 13/06	200						
Barbet, Jessie	Fingal	" 3/06	2	200	" 13/06							
Brush, H. D.	"	" 30/06	1	100	" 13/06	100						
Barnum, W. E.	Dutton	Aug. 1/06	1	100	" 13/06	40						
Bobier, Jas.	Wallacetown	" 1/06	1	100	" 13/06	100						
Burwell, S. E.	Fingal	July 25/06	2	200	" 13/06	200						
Barnes, Martha	Ash	Aug. 8/06	1	100	" 13/06	100						
Bobier, R.	Pt. Talbot	" 9/06	1	100	" 13/06	100						
Bobier, Jos.	Dutton	" 11/06	5	500	" 21/06	500						
Bobier, David	Pt. Talbot	" 14/06	2	200	" 21/06	200						
Burtch, David	Palermo	" 17/06	4	400	" 21/06	400						
Burtch, Mary J.	"	" 17/06	2	200	" 21/06	200						
Blue, D.	Wallacetown	" 18/06	1	100	" 21/06							
Bennett, W. J.	Dundas	" 25/06	5	500	Sept. 5/06	150						
Brush, H. D.	Fingal	" 29/06	1	100	" 5/06	10						
Bobier, Sarah J.	Pt. Talbot	Sept. 1/06	1	100	" 5/06	100						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Bobier, Harry	Pt. Talbot	Sept. 7/06	1	100	Sept. 24/06	100						
Bobier, A. F	"	" 10/06	3	300	" 24/06	300						
Burwell, E	London	" 11/06	90	9000	" 24/06	9000						
Bobier, Sarah J	Pt. Talbot	" 18/06	1	100	" 24/06	100						
Bobier, Hattie	"	" 21/06	5	500	" 24/06	500						
Bastedo, I. A	Milton	Oct. 8/06	5	500	Oct. 26/06	50						
Beaty, Ella M	"	" 8/06	2	200	" 26/06					20	1-Dec. 18/07	
Bobier Jos. or Jane	Dutton	" 8/06	5	500	" 26/06	500						
Brill, S. R	Teaswater	Apr. 18/06	2	200	" 26/06	200						
Beattie, M	Campbellville	Undated	5	500	" 26/06						5-Mar. 18/08	
Bradley, A. B	Georgetown	Oct. 22/06	10	1000	Nov. 24/06						10-Apr. 17/07	
Cook, Thos	Ballinafad	July 18/06	1	100	July 23/06	10		90				
Curry, Eliza R	Esquesing	" 26/06	1	100	" 31/06	10		90	90			
Clement, E. P	Burgessville	" 27/06	1	100	" 31/06	50		50				
Corless, J. G	"	" 27/06	1	100	" 31/06	10		90				
Collins, Sophonia	St. George	Aug. 7/06	1	100	Aug. 13/06	100						
Colson, John	Hornby	" 6/06	1	100	" 13/06	100						
Crane, J. W	Wallacetown	July 27/06	1	100	" 13/06							
Casey, Thos	Fingal	" 24/06	1	100	" 13/06						2-Mar. 18/08	
Casey, Thos	"	Sept.o13/06	1	100	Sept. 24/06							
Cameron, John A	Wallacetown	July 21/06	1	100	Aug. 13/06	10						
Clay, C. B	"	Aug. 1/06	1	100	" 13/06	10						
Church, E	Iona	" 25/06	1	100	Sept. 5/06						1-Mar. 18/08	
Cook, Ed	Leamington	Sept. 19/06	3	300	Oct. 8/06	30						
Cook, R	"	" 19/06	2	200	" 8/06	20						
Cunningham, Lizzie	Hornby	" 27/06	3	300	" 8/06	300						
Coulson, Maggie (Mrs. Preston)	"	" 27/06	1	100	" 8/06	100						
Cairns, S	Campbellville	" 28/06	2	200	" 8/06	200						
Campbell, A	Mountsberg	Oct. 3/06	2	200	" 26/06					50		
Cunningham, H	Drayton	Aug. 24/04	5	500	Dec. 23/04	100						
Casey, Con	"	Oct. 6/04	5	500	" 23/04	450						
Corbitt, R. H	Rothsay	Jan.o 21/05	10	1000	Jan.o 23/05	1000						
Charlton, T	Collingwood	Mar. 12/06	30	3000	Apr. 30/06							
Cook, J. E	Hamilton	Apr. 4/06	4	400	" 30/06	400						
Chisholm, Wm	Antigonish	" 10/06	3	300	" 30/06	300						
Cook, Jno. C	Norval	" 18/06	5	500	" 30/06	50		450				
Copeland, E. M	Arkona	" 30/06	5	500	May 15/06	500						
Cheyne, L	Brampton	May 3/06	5	500	" 15/06			500		100	5-Dec. 31/07	
Cattanach, J. F	N. Lancaster	Apr. 26/06	2	200	" 15/06	200						
Coulson, Jno	Kilbride	May 26/06	25	2500	June 6/06			2500	450			

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Coulson, W. J	Kilbridge	May 29/06	5	500	June 6/06			500	50			
Cruikshank, Annie	Hamilton	" 28/06	10	1000	" 6/06	1000						
Coxe, Thos	Milton	Mar. 29/	50	5000	" 6/06			5000		5000	25-Dec. 18/07	
Clements, M	"	June 1/06	5	500	" 6/06	50		450				
Chapman, H. H	Brantford	" 8/06	1	100	July 4/06	55						
Cartwright, A	Zimmerman	" 13/06	10	1000	" 4/06			1000	1000			
Chapman, J. A	Sandwich	July 3/06	25	2500	" 4/06	250		2250				
Cummins, A. C	Burlington	June 21/06	5	500	July 4/06			500		250		
Cartwright, Jno. A	Zimmerman	" 22/06	10	1000	" 4/06	1000						
Chisholm, L. W	Limehouse	" 27/06	1	100	" 4/06	40						
Campbell, D	Ballinafad	July 3/06	3	300	" 9/06	30		270				
Campbell, Jno	Glenwilliams	" 5/06	3	300	" 9/06	30		270				
Dowling, John J	Drayton	Aug. 18/04	1	100	Dec. 23/04	5						
Dales, John N	Kingston	" 23/04	1	100	" 23/04	5						
Downey, Jas	Goldstone	Nov. 4/04	2	200	" 23/04	10						
Davidson, E	Drayton	" 9/04	10	1000	" 23/04	1000						
Davidson, W. F	"	Aug. 22/05	2	200	Nov. 7/05	20						
Day, E. H	Norval	Apr. 4/06	3	300	Apr. 30/06	300						
Dickison, Thos	Arkona	" 23/06	4	400	" 30/06	400						
Dickison, Jennie	"	" 23/06	5	500	" 30/06	500						
Deese, D. E. (Seese)	Finch	Mar. 29/06	5	500	" 30/06	500						
Darrah, Robt	Milton	May 4/06	10	1000	May 15/06	100		900	900			
Daniels, Geo	"	" 4/06	5	500	" 15/06			500		200	5-Apr. 17/07	
Dewar, D	"	" 5/06	5	500	" 15/06	200						
Dewar, Jno	"	" 12/06	5	500	" 15/06						5-Mar. 18/08	
Dixon, W. A	"	" 17/06	50	5000	" 22/06			5000		500	49-Jan. 15/08	50 shares
Dewar, W. F	"	" 21/06	10	1000	" 22/06	100		900	200			
Darling, R. A	Mansewood	June 2/06	5	500	June 6/06	50		450				
Denoon, G	Milton	" 2/06	20	2000	" 6/06			2000		2000	20-Jan. 15/08	20 shares
Dickson, Alex	Camden East	" 2/06	4	400	July 4/06	400						
Downs, E. W	Drumquin	" 16/06	25	2500	" 4/06	250		2250	400			
Davis, C. G	Freeman	" 20/06	10	1000	" 4/06	1000						
Devean, N. M	Toronto	July 7/06	10	1000	" 9/06	100	19000			900		
Devean, N. M	"		190	19000								
Downs, Albert J	Drumquin	" 5/06	25	2500	" 9/06			2500	250			
Denny, Margaret	Ballinafad	" 30/06	5	500	Aug. 13/06	50		450				
Docker, A. F	Wallacetown	Aug. 1/06	3	300	" 13/06	300						
Dromoyle, H	"	" 7/06	1	100	" 13/06							
Dearling, Jno	Palermo	" 17/06	1	100	" 21/06			100	10			
Davison, Matthew	Flint	Sept. 6/06	50	5000	Sept. 24/06						50-Mar. 18/08	

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Dewar, Jno	Fingal	Oct. 11/06	1	100	May 15/06							
Davidson, J. A	Milton	" 3/06	1	100	Oct. 26/06							
Denny, Jos. H	Ballinafad	July 24/06	5	500	July 31/06			450				
Elsley, C. A	Campbellville	Sept. 28/	5	500	Oct. 8/06	250						
Ellis, George	Drayton	Nov. 4/04	5	500	Dec. 23/04	500						
Elsley, Levi	Nassagaweya	Sept. 4/05	3	300	Nov. 7/05	300						
Elsley, Levi	"	June 5/05	7	700	" 7/05	700						
Earley, M. J	Norval	Undated	6	600	Apr. 30/06	600						
Eccles, Jno	Glenwilliams	Apr. 4/06	10	1000	" 30/06							
Ellis, J. S	Toronto	" 25/06	1	100	" 30/06	50						
Elliott, Wm	Milton	May 9/06	5	500	May 15/06	500						
Elliott, Wm	"	" 9/06	5	500	" 15/06	500						
Elliott, Dollie	"	" 9/06	1	100	" 15/06	100						
Elliott, J. W	"	" 12/06	5	500	" 15/06	100						
Edmonstone, Jas	Balaclava	" 12/06	4	400	" 15/06			400				
Emerson, Andrew	Zimmerman	" 21/06	50	5000	" 22/06			5000	500			
Ewing, Jas. (Erwin)	Eden Mills	" 25/06	5	500	June 6/06	500						
Edmonstone, Jas	Balaclava	June 27/06	4	600	July 4/06	600						
Edmonstone, Jas	"	" 16/06	2									
Elliott, R. A	Milton	" 25/06	5	500	July 4/06			500		500	5-Dec. 18/09	
Elliott, Thos	Lowville	July 5/06	10	1000	" 9/07			1000		1000	5-Oct. 20/09	
Eaton, Allan	Mt. Nemo	July 11/06	100	10000	July 12/06	7500		2500				
Edmonds, Geo	Fingal	" 23/06	1	100	Aug. 13/06							
Edmonds, Geo. or Cora	"	Aug. 31/06	1	100	Sept. 5/06							
Edmonds, Geo. or Cora	"	Sept. 10/06	3	300	" 24/06							
Fowler, Geo. S	Teeswater	Sept. 6/04	5	500	Dec. 23/04	275						
Ferguson, A	Edinburgh, Scot	Oct. 14/05	10	1000	Nov. 7/05	500						
Fisher, A. E	Whitehorse	May 3/06	5	500	Apr. 30/06	500						
Ford, Jno. A	Omagh	" 8/06	5	500	May 15/06	50		450	450			
Foster, Jas	Moray	" 11/06	10	1000	" 15/06	1000						
Foster, Jos. Sr	Greenway	" 12/06	1	100	" 15/06	100						
Ford, Jas	Boyne	" 17/06	50	5000	" 22/06			5000	500			
Ford, J. F	Omagh	" 31/06	50	5000	June 6/06			5000	700			
Ford, Ed	"	June 4/06	15	1500	" 6/06	150		1350				
Fox, R. W	"	" 4/06	15	1500	" 6/06	150		1350			15-Dec. 31/07	
Fox, R. W	"	" 6/06	10	1000	July 4/06	100		900				
Foster, H. A	Lowville	" 8/06	15	1500	" 4/06	150		1350				
Ford, Ed	Omagh	" 15/06	10	1000	" 4/06			1000	100			
Ford, D. F	"	" 8/06	10	1000	" 4/06			1000		1000		

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Travers with Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Fuller, E.	Thornhill	June 19/06	5	500	July 4/06	150		350					
Ferguson, George	Glasgow, Scot	" 19/06	15	1500	" 4/06	1500							
Ford, Mary E.	Omagh	July 5/06	2	200	" 9/06	200							
Ford, Ida A.	"	" 4/06	5	500	" 9/06	50		450					
Ford, D. Frank	"	" 5/06	15	1500	" 9/06			1500		1500			
Freeman, J. G.	Boxgrove	" 12/06	3	300	" 16/06	200							
Freeman, Helen	"	" 12/06	10	1000	" 16/06	100							
Findlay, Robert	Malcolm	" 13/06	3	300	" 16/06	300							
Fulton, Velma	Fingal	" 30/06	1	100	Aug. 13/06								
Fitch, Wm.	Pt. Talbot	Aug. 2/06	1	100	" 13/06	100							
Foster, T.	Brantford	Aug. 14/06	3	300	" 21/06	60							
Ford, Jas.	Omagh	Oct. 9/06	2	200	Oct. 26/06	20		180					
Fitzgibbon, J. G.	Toronto	Oct. 22/06	1	100	Nov. 24/06						1-Nov. 17/09		
Fortier, Jos.	Montreal	July 4/05	2	200	" 7/05	10					2-Mch. 18/08		
Forget, A. E.	Regina	" 11/05	50	5000	" 7/05						50-Mch. 18/08		
Fraser, Edna S.	Surgoinsville, Tenn.	May 31/06	2	200	June 6/06	200							
Gibb, H. C.	Drayton	Aug. 18/04	2	200	Dec. 23/04	140							
Gordon, Lottie	"	" 22/04	2	200	" 23/05	10							
Groves, A.	Fergus	Apr. 13/05	100	10000	Nov. 7/05					3000			
Geddes, W. J.	Embro	Aug. 24/05	10	1000	" 7/05	1000							
Gilchrist, A.	Napanee		3	300	Apr. 30/06	240							
Green, C. J.	Kingsville	Apr. 26/	2	200	" 30/06	200							
Greenlees Bros.	Milton	May 1/06	10	1000	May 15/06	300		700	700				
Greer, Jennie B.	"	" 14/06	50	5000	" 15/06			5000			50-Apr. 17/07		
Gillies, Mary	Watford	" 10/06	1	100	" 15/06	100							
Gaslee, Geo.	Milton	" 15/	10	1000	" 22/06	100		900	900		10-Jan. 15/08	10 shares	
Galloway, C. E.	"	" 22/06	5	500	June 6/06	50		450					
Gunby, B.	Kilbride	June 8/06	50	5000	July 4/06			5000	2000				
Grigg, Emma J.	New York	" 18/06	1	100	Jan. 15/08	100							
Griffin, J. H.	Burgessville	" 27/06	2	200	July 4/06	200							
Gowan, Chas. W.	Ballymote	July 5/06	1	100	" 9/06	100							
Green, A. E.	St. George	" 30/06	4	400	Aug. 13/06	280							400
Golding, H.	Ingersoll		10	1000	" 13/06	100		900	900				
Gillson, T.	Masonville	Aug. 6/06	5	500	" 13/06	500							
Garbutt, Robert G.	Wallacetown	" 1/	1	100	" 13/06								
Graham, W. A.	"	" 9/06	1	100	" 13/06	30							
Gow, P.	Wallacetown	" 15/06	1	100	" 21/06	30							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Traverswith Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Garner, Thos.	Palermo	Aug. 17/06	5	500	Aug. 21/06	50		450					
Gallagher, J.	Toronto	Oct. 22/06	1	100		10	(Trans. to	L. G.	then c	ancell	ed) 1-June 19/07		
Gilchrist, John	"	" 22/06	30	3000	Nov. 24/06					3000			
Haseltine, W. H.	Rothsay	Aug. 25/05	10	1000	Nov. 7/05	100							
Harris, M. A.	Toronto	Mar. 29/06	2	200	Apr. 30/06	200							200
Hunter, Francis	Norval		10	1000	" 30/06	1000							
Hyatt, W.	"	Apr. 18/06	10	1000	" 30/06	1000							
Hunter, Jno	"	" 18/06	1	100	" 30/06	100							
Hotson, A.	Parkhill	" 20/06	15	1500	" 30/06	900							
Hunter, J. W.	Toronto	" 25/06	5	500	" 30/06	500							
Hunter, John	Milton	May 8/06	15	1500	May 15/06	1000		500	500				
Hunter, Wm.	Ashgrove	" 11/06	25	2500	" 15/06			2500		2500			
Hunter, Thos.	Norval	" 11/06	25	2500	" 15/06			2500		2500	25-Dec. 18/07		
Hollinrake, C. E.	Milton	" 26/06	5	500	June 6/06	300							
Howden, T.	"	" 25/06	5	500	" 6/06			500		50			
Hume, J.	Scotch Block	" 30/06	5	500	" 6/06	50		450					
Handy, Lottie O. M	Surgoinville	June 6/06	1	100	" 6/06	100							
Handy, F. T.	"	" 6/06	1	100	" 6/06	100							
Haydon, J. S.	Camden East	" 2/06	10	1000	" 6/06	1000							
Hamilton, Alice	Milton	" 6/06	10	1000	July 4/06			1000		1000	5-Dec. 18/07		
Hume, Robert	"	" 6/06	10	1000	" 4/06			1000		100		10 shares	
Haydon, Jas. A.	Camden East	" 11/06	4	400	" 4/06	400							
Hoare, Wm.	Glenwilliams	" 15/06	5	500	" 4/06	50		450					
Hoare, Sarah	"	July 4/06	4	400	" 9/06	400							
Hanna, Wm.	Erin	" 21/06	2	200	" 23/06	200							
Harris, Wm.	Milton	" 31/06	5	500	Aug. 13/06			500		500			
Husband, Geo. E.	Ash	Aug. 9/06	10	1000	" 13/06			1000	100				
Husband, Robt. W.	"	" 9/06	10	1000	" 13/06			1000	100				
Horn, Thos.	"	" 8/06	1	100	" 13/06			100	10				
Hoover, A. H.	Toronto		50	5000	" 13/06								
Heeks, H.	Palermo	Aug. 13/06	10	1000	" 21/06			1000	100				
Hazell, H.	Hamilton	" 15/06	5	500	" 21/06			500	50				
Hartman, C. H.	"	" 15/06	2	200	" 21/06			200	20				
Hirst, E.	Campbellville		10	1000	Oct. 8/06	1000							
Hanley, John	Milton		1	100	" 8/06	100							
Honeywell, E. H.	Balinfada	Oct. 5/06	25	2500	" 8/06					2500			
Haist, A. G.	Stratford	" 8/06	4	400	" 26/06	400							
Hunter, W. H	Toronto	" 22/06	1	100	Nov. 24/06	10							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Irving, Jno	Milton	May. 9/06	5	500	May 15/06	50		450				
Irving, W. A	Tansley		5	500	Aug. 21/06			500	50			
Johnston, Jas	Winfield	Nov. 5/04	2	200	Dec. 23/04	40						
Johnston, Robt	"	" 8/04	5	500	" 23/04	100						
Joyce, C	Mansewood	May 21/06	5	500	May 22/06	50		450				
Joyce, Robt	"	" 21/06	10	1000	" 22/06	100		900	500			
Johnson, H. F	Boyce	June 4/06	2	200	July 4/07	20		180			2-Dec. 31/07	
Johnson, Caroline	"	" 8/06	1	100	" 4/06	100						
Kerr, Jno	Milton	May 1/06	50	5000	May 15/06	500		4500	2500			
Kemp, D. C	Hornby	" 12/06	50	5000	" 16/06			5000		5000	30-Dec. 18/07	
Kennedy, W. A	"	" 28/06	5	500	June 6/06			500		250		
Kelly, P. J	Stratford	" 31/06	10	1000	" 6/06	100		900				
Kennedy, G. A	Milton	June 29/06	10	1000	July 4/06			1000	100			
Krupp, S	Cairo	July 17/06	4	400	" 23/06	40		360				
Kennedy, P. S	Acton		2	200	" 31/06	20		180				
Kennedy, T. W	Acton West	July 30/06	1	100	Aug. 13/06	10		90				
Kinney, L. P	Drumbo	Aug. 2/06	4	400	" 13/06	40		360				
Koehler, E	Tyrconnell	July 27/05	1	100	" 13/06	40						
Kirkpatrick, Wm	Burgessville	Aug. 14/06	1	100	" 21/06	10		90				
Laing, Helen	Drayton	Nov. 9/04	10	1000	Dec. 23/04	1000						
Lavertine, L. V	Montreal	July 24/05	3	300	Nov. 7/05	15						
Lathrop, F. E	Armada, Mich	Sept. 23/05	10	1000	" 7/05	1000						
Lindsay, James	Fergus	Oct. 18/05	10	1000	" 7/05	1000						
Leslie, Matilda	Georgetown	Apr. 19/06	5	500	Apr. 6/06	500						
Leslie, R. F	"	" 19/06	10	1000	" 30/06	1000						
Lindsay, W. J	Toronto	May 9/06	50	5000	July 4/06	500	(Chgd. to	Com.	a/c.)	5000	440-Mar. 18/08	
Lindsay, W. J	"	Oct. 22/06	500	50000	Oct. 26/06						100-Nov. 17/09	
Lynch, M. J	Kingston	June 9/06	5	500	July 4/06	500						
Lindsay, J. R	Georgetown	" 27/06	5	500	" 4/06	500						
Logie, Jas	Nassagaweya	" 18/06	5	500	" 4/06	500						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Traverswith Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Laird, Geo	Ashgrove	June 29/06	10	1000	July 4/06			1000		500	10-Dec. 18/07		
Leslie, J. T	Norval	" 28/06	2	200	" 4/06	20		180					
Little, J. D	Walkerton	July 16/06	10	1000	" 23/06	500							
Lindsay, N. F	Acton West	" 30/06	5	500	Aug. 13/06	50		450					
Lindsay, Jessie E	Georgetown	Aug. 1/06	1	100	" 13/06	100							
Lown, A. S	Toronto	Oct. 20/06	1	100	Nov. 24/06	10							
Latch, Emma	"	Nov. 15/06	8	800	" 21/06	800							
Luxton, A. G. H	Milton	Oct. 22/06	10	1000	" 24/06						10-Mar. 18/08		
Linton, Adam	Guelph	Nov. 23/06	10	1000	" 24/06	100							
Mayne, Ellen	Stirton		2	200	Dec. 23/04	175							
Munro, Jas	Embro	July 19/05	50	5000	Nov. 7/05	3250							
Murray, C	"	Sept. 25/05	10	1000	" 7/05	1000							
Morse, G. A	Leamington	Nov. 22/05	5	500	Apr. 30/06	500							
Merner, Sam	Berlin	Apr. 28/06	50	5000	" 30/06								
Moore, Louisa	Arkona	" 30/06	1	100	May 15/06	100							
Mathews, Alex	Guelph	May 9/06	5	500	" 15/06			500		500	5-Dec. 18/07		
Muir, Gertrude	Almonte	Apr. 11/06	5	500	" 15/06	500							
Moffatt, Jas	Kelso	May 18/06	10	1000	" 22/06	1000							
Murray, Jas	Mansewood	" 22/06	10	1000	June 6/06	300					10-Jan. 15/08	10 shares	
Murray, Jas	"	" 14/06	25	2500	Oct. 8/06								
Moffat, J. F	Martintown	" 10/06	3	300	May 22/06	300							
Mowbray, Jno. W	Camden East	June 2/06	6	600	June 6/06	600							
Marshall, Jas	Glasgow, Scot	" 18/06	5	500	July 4/06	500							
Murray, Jno	Embro	" 28/06	5	500	" 4/06	500							
Murray, Geo	"	" 28/06	10	1000	" 4/05	1000							
Macdonald, Jno	Markham	July 14/06	5	500	" 16/06	500							
Meyer, P. V	Toronto	" 17/06	10	1000	" 23/06	500							500
Morrison, A	Ashgrove	" 23/06	1	100	" 23/06	10		90					
Morrison, H	"	" 23/06	5	500	" 23/06	50		450					
Murray, Geo	St. Andrews, Scot	" 11/06	5	500	" 23/06	500							
Monkman, J. A	Toronto	Aug. 4/06	6	600	Aug. 13/06	600							
Morrison, Loretta	Ashgrove	" 18/06	2	200	" 21/06	200							
Mitchell, Thos	Ash	Sept. 12/06	1	100	Sept 24/06	10		90					
Menzie, R. L	Kelso	" 28/06	1	100	Oct. 8/06	100							
Menzie, Wm	"	" 28/06	1	100	" 8/06			100		50			
Miller, John	Leamington	" 29/06	5	500	" 8/06	500							

		Application	Shares Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Traverswith Bk. funds.
					Cash	Transfer of Securities	By Notes	On Notes				
Macorquodale, D. S.	Toronto	Oct. 22/06	1 100	Nov. 24/06						1-May 15/07		
Macorquodale, B. E.	"	" 22/06	1 100	" 24/06						1-May 15/07		
Macorquodale, F. D.	"	" 22/06	1 100	" 24/06						1-May 15/07		
Mitchell, J. W.	"	" 22/06	1 100									
MacDowall, W. S.	Almonte	Apr. 11/06	5 500	May 15/06	500							
McKay, Alex.	Holiday	Aug. 23/05	5 500	Nov. 7/05	350							
McKay, Hugh	"	" 23/05	5 500	" 7/05	350							
McLennan, R. R.	Cornwall		50 5000	Apr. 30/06	3000							5000
McMillan, Isabella	Hamilton	Mar. 31/06	5 500	" 20/06	500							
McKinnon, D. P.	Finch	" 22/06	10 1000	" 30/06	100							
McMillan, D. A.	"	" 31/06	5 500	" 20/06	450							
McLaughlin, J. C.	Norval	May 18/06	2 200	May 15/06			200		100			
McCann, Ed. Jr.	Omagh	" 4/06	10 1000	" 15/06	100		900					
McCall, H. A.	Milton	Not on file	10 1000	" 15/06								
McLeod, Jno.	"	May 9/06	1 100	" 15/06			100		50		1 share	
McCluaig, M.	Peveril	Apr. 19/06	10 1000	" 15/06	1000							
McCuaig, D.	Dalhousie Sta.	" 27/06	5 500	" 15/06	500							
McDonald, R. D.	Bridge End Sta.	" 27/06	2 200	" 15/06	200							
McLachlin, D.	Parkhill	May 1/06	1 100	" 15/06	100							
McDuffe, P. A.	Omagh	" 14/06	10 1000	" 22/06			1000		1000			
McDuffe, P. A.	"		15 1500	June 6/06			1500		1500			
McCallum, F.	Milton	May 16/0	10 1000	May 22/06	100		900	900		9-Jan. 15/08	10 shares	
McGregor, C. D.	"	June 1/06	5 500	June 6/06	50		450	100				
McLean, Wm.	"	" 6/06	5 500	July 4/06			500	50		5-Removed from list, no cancellation	5 shares	
McLean, Marg't.	Milton	June 6/06	5 500	July 4/06			500	50				
McCullogh, R. C.	Georgetown	" 27/06	5 500	" 4/06	500							
McCann, Rebecca	Omagh	" 29/	5 500	" 4/06	500							
McCallum, M.	Ashgrove	" 25/06	2 200	" 4/06			200		100			
McDonald, Jno.	Acton	July 2/06	2 200	" 9/06	20		180	90				
McDonald, Alex.	"	" 2/06	3 300	" 9/06	30		270					
McMillan, Harriet L.	Westmount	June 14/06	5 500	" 16/06	500							
McClure, S.	Glenwilliams	Oct. 8/06	5 500	Oct. 8/06	50		450	200	200			
McKechnie, Jno.	Ballinafad	July 21/06	1 100	July 23/06	100							
McKerlie, M.	Pt. Nelson	Aug. 15/06	40 4000	Aug. 21/06	4000							
McKee, Geo.	Wallacetown	" 17/06	1 100	" 21/06	100							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Traverswith Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
McGeachy, Jno. A.	Iona	Aug. 23/06	4	400	Sept. 5/06	400							
McCallum, Dugald.	Adrian, Mich	" 24/06	2	200	" 5/06	200							
McCallum, Dugald.	Adrian, Mich	Sept. 10/06	1	100	Sept. 24/06	100							
McIntyre, Duncan	Fingal	" 7/06	1	100	" 24/06	100							
McIntyre, Donald	Boxall	" 12/06	2	200	" 24/06								
McIntyre, Colvin A.	Fingal	" 17/06	2	200	" 24/06	20							
McClure, S.	Glenwilliams	July 17/06	5	500	July 23/06			500					
McCurdy, Robt.	Hornby	Oct. 8/06	1	100	Oct. 26/06	100							
Noble, Robt.	Bosworth	Aug. 20/04	2	200	Dec. 23/04	60							
Newman, R. A.	Detroit	July 13/06	50	5000	July 16/06	5000							
Newman, R. A.	"	Sept. 1/05	50	5000	Nov. 7/05	5000							1000
Nelson, J. H.	Kingsville	Dec. 6/05	20	2000	Apr. 30/06	2000							
Noble, Robert	Norval	Apr. 2/06	30	3000	" 30/06	3000							
Near, F. S.	Ballinafad	July 3/06	3	300	July 9/06	30		270					
Norris, Henry	Alliston	" 5/06	5	500	" 9/06	500							
Near, M. L.	Erin	" 21/06	10	1000	" 23/06	100		900					
Nixon, J. F.	Ashgrove	Aug. 13/06	2	200	Aug. 21/06	200							
Newman, W. T.	Vancouver	Sept. 17/06	5	500	Sept. 24/06	50							
Nesbitt, W. B.	Toronto	Oct. 22/06	100	10000	Nov. 24/06					3000			
O'Hagan, J.	Toronto	May 25/06	1	100	June 6/06	80							
Osborn, Annie	Glenwilliams	June 14/06	1	100	July 4/06	100							
Parmenter, L. S.	Flushing, N. Y.	Oct. 22/06	1	100	Nov. 24/06	30							
Patterson, E.	Palermo	" 8/06	1	100	Oct. 26/06					25			
Page, G. L.	Drayton	Aug. 18/04	10	1000	Dec. 23/04	700							
Patterson, W. A.	Flint	" 14/05	10	1000	Apr. 30/06	500							
Powell, H. H.	Lowville	May 30/06	15	1500	June 6/06	150		1350	1350				
Powell, H. H.	"	" 5/06	15	1500	May 15/06			1500	150				
Panton, Wm.	Milton	" 9/06	10	1000	" 15/06	100		900					
Pell, John	Omagh	May 16/06	10	1000	" 22/06			1000		1000	9-Dec. 18/07		
Pearce, Edith E.	Springford	" 18/	5	500	" 22/06	500							
Pearce, Edith E.	"	" 30/	5	500	June 6/06	500							
Parrott, H. H.	Camden East	June 8/06	4	400	July 4/06	400							
Peddie, J. C.	Milton	" 9/06	5	500	" 4/06	50		450	200				

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Porter, Alex	Omagh	June 8/06	5	500	July 4/06	50		450				
Porter, Alex	"	" 16/06	5	500	" 4/06	50		450				
Peddie, Jno	Milton	" 25/06	5	500	" 4/06	500						
Peddie, James	"	" 25/05	5	500	" 4/06	500						
Phillip, Annie	Kilbride	July 10/06	2	200	" 12/06	200						
Pfister, Jno	Toronto	" 17/06	10	1000	" 23/06	500						
Page, Wm	Fingal	" 27/06	1	100	Aug. 13/06							
Patterson, L	Palermo	Aug. 23/06	3	300	Sept. 5/06	300						
Preston, B. C	Armada	" 28/06	5	500	" 5/06	500						
Ritch, Wm	Drayton	Aug. 22/04	2	200	Dec. 23/04	70						
Ryan, J. G	Elizabeth, N. J	July 3/05	1	100	Nov. 7/05	5						
Robertson, Hugh	Martintown	May 11/06	5	500	May 22/06	500						
Robertson, Duncan J	"	" 11/06	10	1000	" 22/06	1000						
Robertson, Wm	Hamilton	" 31/06	5	500	June 6/06	500						
Ross, And. J	Nairn	" 28/06	1	100	" 6/06	100						
Roper, J. P	Milton	June 1/	4	400	" 6/06	400						
Ratz, Jno	Khiva	" 4/06	10	1000	" 6/06	400						
Rose, And. J	Nairn	" 6/06	2	200	July 4/06	40						
Randall, Claretta	Springford	" 15/06	2	200	" 4/06	200						
Ross, A. J	Nairn	" 22/06	1	100	" 4/06	100						
Richardson, T. W	Glenwilliams	July 6/06	10	1000	" 9/06	100		900				
Robinson, Marg't	Omagh	" 5/06	5	500	" 9/06	500						
Robinson, Geo	"	" 5/06	10	1000	" 9/06			1000		1000		
Rae, Jas	Malcolm	" 13/06	10	1000	" 16/06	1000						
Rae, Alex	"	" 13/06	10	1000	" 16/06	1000						
Rae, Betsy	"	" 13/06	10	1000	" 16/06	1000						
Robb, Elsie	St. George	" 20/06	5	500	" 23/06	50						
Robb, Wm	"	" 18/06	20	2000	" 23/06	400						
Richardson, Geo	Toronto	Nov. 23/06	1	100	Nov. 24/06	10						
Roper, J. P	Milton	May 15/06	1	100	May 15/06	100						
Snelgrove, E. W	Brighton	Oct. 9/05	10	1000	Oct. 26/06			1000		1000	10-Dec. 18/07	
Symons, W. L	Toronto	" 10/06	10	1000	" 26/06	100						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancellation	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Stafford, Wm	Wallacetown	July 27/06	2	200	Aug. 13/06	80						
Stevenson, W. E	Fingal	Aug. 4/06	1	100	" 13/06							
Shaver, W. J	Toronto	July 18/06	20	2000	" 13/06	2000						
Shaver, A. R	"	" 18/06	10	1000	" 13/06	1000						
Strong, Geo	Wallacetown	Sept. 19/06	1	100	Sept. 24/06	10						
Smith, Flint P	Flint, Mich	" 6/06	50	5000	" 21/06						50-Mar. 18/08	
Stewart, Neil	Milton	May 22/06	25	2500	Oct. 8/06						25Apr. 17/07	
Sprowl, Mrs. Wm	Acton	Sept. 27/06	3	300	" 8/06	300						
Sprowl, Wm	"	" 27/06	3	300	" 8/06	300						
Stair, F. W	Toronto	Oct. 9/06	100	10000	" 26/06	1000		9000				
Sutherland, G. A	Embro	Aug. 23/05	5	500	Nov. 7/05	500						
Sutherland, G. A	"	Nov. 17/06	5	500		500						
Sutherland, George	Chicago	Aug. 25/05	10	1000	Nov. 7/05	1000						
Stevens, F. B	Detroit	Sept. 1/05	20	2000	" 7/05	1000						
Sutherland, R	Golspie	May 15/06	5	500	May 15/06	500						
Sutherland, R	"	Sept. 26/05	5	500	Nov. 7/05	500						
Sutherland, M	"	" 30/05	5	500	" 7/05	500						
Simpson, G. A	Leamington	Nov. 22/05	10	1000	Apr. 30/06	1000						
Samson, Jas	Windsor	Dec. 11/05	5	500	" 30/06	50						
Sykes, A	Glenwilliams	Apr. 5/05	10	1000	" 30/06			1000	1000			
Switzer, J. C	Norval	" 19/06	5	500	" 30/06			500	50			
Summers, Jane	Corinth	" 18/06	1	100	" 30/06	100						
Showler, T. W	Arkona	" 30/06	10	1000	" 30/06	100		900				
Showler, T. W	"	"	20	2000	May 15/06			2000				
Smith, A. E	Parkhill	" 24/06	4	400	Apr. 30/06	400					25-June 23/09	
Sunstrum, Jno	Ottawa		25	2500	" 30/06							
Simpson, J. P	Finch	Mar. 31/06	3	300	" 30/06	270						
Sutherland, O. D	Goldspie	Apr. 25/06	3	300	May 15/06	300						
Smith, Sarah	Arkona	" 30/06	1	100	" 15/06	100						
Smith, Geo	"	" 30/06	10	1000	" 15/06	100		900	395			
Sutherland, Jas	Holiday	May 3/06	10	1000	" 15/06	1000						
Scott, W. N	Milton	" 4/06	50	5000	" 15/06			5000	1500			
Stewart, Jno	"	" 5/06	5	500	" 15/06	250						
Sutherland, Hugh	Holiday		5	500	" 15/06	500						
Scott, J. B	Milton	May 8/06	5	500	" 15/06			500		100		

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Storey, Geo	Milton	May 10/06	50	5000	May 15/06			5000		5000	50-Dec. 18/07	
Sproat, Jno	Mansewood	" 12/06	100	10000	" 15/06					1000	93-Jan. 15/08	100shares
Saunders, Annie N	Tilsonburg	" 11/06	5	500	" 15/06	500						
Saunders, Wm. H	Tilsonburg	May 12/06	5	500	May 15/06	150		350	100			
Sayers, Peter	Guelph	" 14/06	10	1000	" 22/06						10-Mar. 18/08	
Shortreed, J. H	Mansewood	" 16/06	5	500	" 22/06	500						
Scott, Mary M	Milton	" 17/06	10	1000	" 22/06	100		900				
Scott, Mary M	"	June 8/06	20	2000	July 4/06			2000				
Scott, Flora	"	May 17/06	10	1000	May 22/06	100		900				
Somerville, Wm	St. Mary's	" 19/06	10	1000	" 22/06	100		900				
Stuert, Jane	Milton	" 29/06	3	300	June 6/06	30		270	(3 Re	moved from list, no cancellation)		3 shares
Stewart, Jno	Milton	May 30/06	10	1000	June 6/06	100		900				
Shortreed, Walter	"	June 6/06	10	1000	July 4/06			1000		1000		
Stover, L. H	Camden East	" 4/06	10	1000	" 4/06	1000						
Stedman, N	"	" 4/06	5	500	" 4/06	500						
Sloan, W. J	Glenwilliams	" 14/06	5	500	" 4/06	500						
Sinclair, W. G	Zimmerman	July 7/06	50	5000	" 9/06		5000			500		
Smith, M. W	Thornhill	June 22/06	10	1000	" 4/06	500		500				
Sackrider, Chas	Burgessville	" 21/06	1	100	" 4/06	50						
Sutherland, Sarah	Leamington	" 22/06	2	200	" 4/06	200						
Siple, R. A	Burgessville	" 28/06	2	200	" 4/06	20		180				
Scott, Alex. P	Brampton	" 30/06	2	200	" 4/06	20						
Sinclair, D	Freeman	" 21/06	5	500	" 4/06			500		200		
Southcott, J	Grand Bend	July 3/06	1	100	" 4/06	100						
Stork, Ira A	Mono Mills	June 29/	1	100	" 9/06	100						
Standish, J. L	Esquesing	July 6/06	1	100	" 9/06	10		90				
Stalker, Jno	Acton	" 2/06	2	200	" 9/06	200						
Sinclair, W. G	Zimmerman	June 15/06	50	5000	" 4/06	A/c	Note 550.	5000				
Starret, Marg't J	Glenwilliams	July 9/06	1	100	" 12/06	10		90				
Simpson, Robt	Kilbride	" 10/06	10	1000	" 12/06	1000						
Simpson, Mary A	"	" 10/06	5	500	" 12/06	500						
Sinclair, G. W	Zimmerman	" 17/06	10	1000	" 23/06			1000				
Shreve, Mary L	Cairo, Mich	" 17/06	2	200	" 23/06	120						
Sager, Sarah	St. George	" 24/06	10	1000	" 31/06	1000						

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients	Repurchased by W. R. Traverswith Bk. funds
						Cash	Transfer of Securities	By Notes	On Notes				
Tucker, Geo.	Bosworth	Aug. 17/04	2	200	Dec. 28/04	10							
Turner, W. D.	Norval	Apr. 4/06	2	200	Apr. 30/06	200							
Tumulty, T. H.	Madoc	" 18/	1	100	" 30/06	100							
Travers, W. R.	Toronto	May 7/06	50	5000	July 4/06	500	Chgd. Co	m. A/C					
Thompson, Lizzie	Watford	" 10/06	1	100	May 15/06	100							
Thompson, Geo. H.	Hornby	" 22/06	50	5000	" 22/06			5000		5000	35-Dec. 18/07		
Topham, Jno.	Burgessville	June 22/06	2	200	July 4/06	20		180					
Topham, Jno.	"	July 28/06	1	100	" 28/06	50		50					
Thompson, David	Walkerton	" 6/06	20	2000	" 9/06	1880							
Tullis, H. P.	Glasgow, Scot.	" 27/06	5	500	" 9/06	350							
Thompson, Agnes	Terra Cotta	" 9/06	14	1400	" 16/06	460	640	300					
Tolton, James	Walkerton	" 20/06	5	500	" 23/06	250							
Thompson, Eliz.	Ballinfad	" 21/06	15	1500	" 23/06	500	600	400					
Thompson, Malcolm	Walkerton	" 26/06	5	500	" 31/06	500							
Telford, Jno.	Wallacetown	" 28/06	2	200	Aug. 13/06	200							
Turner, Jas.	Fingal	" 28/06	1	100	" 13/06	10							
Tubby, E. H.	"	" 25/06	1	100	" 13/06	100							
Townsend, Josiah	Terra Cotta	Aug. 13/06	1	100	" 21/06	100							
Thompson, Annis S.	Ashgrove	" 15/06	2	200	" 21/06	200							
Turner, F. E.	Bracondale		10	1000	Sept. 5/06								
Taylor, Geo. E.	Paris Stn	Sept. 10/06	5	500	" 24/06	50		450					
Thomas, A. W.	Toronto		10	1000									1000
Visfer, J. S.	Montreal	July 3/05	1	100	Nov. 7/05	5							
Wilson, Wm. & H.	Rothsay	Aug. 18/04	2	200	Dec. 23/04	200							
Whyte, Jno.	Drayton	" 20/04	1	100	" 23/04	40							
Wadel, Jos.	Whitechurch	Sept. 6/04	10	1000	" 23/04	1000							
Woodisse, Bros.	Rothsay	Nov. 9/04	10	1000	" 23/04	1000							
White, Chas.	Drayton	Jan. 17/05	5	500	Jan. 23/05	25							
Walker, Jos.	Niagara-on-Lake	Sept. 13/05	2	200	Nov. 7/05	20					2-May 18/10		
Walsh, Mrs. J.	Hollin	Oct. 9/05	6	600	" 7/05	600							
Watt, J. A.	Salem	Mar. 24/06	1	100	Apr. 30/06	40							
Webb, Thos.	Brighton	" 25/06	10	1000	" 30/06	1000							

		Application	Shares	Amt.	Allotted	PAYMENTS				T.&G. Loan Spread	Cancelled	Laidlaw Clients
						Cash	Transfer of Securities	By Notes	On Notes			
Witham, A. J	St. Catharines	Mar. 29/06	25	2500	Apr. 30/06						25-Apr. 17/07	
Wise, H	"	" 30/06	5	500	" 30/06	500						
Watson, Robt. St	Norval	Apr. 3/06	5	500	" 30/06	50		450				
Waters, Wm	Springbank	May 2/06	10	1000	May 15/06	1000						
Waters, Sarah	"	" 2/06	10	1000	" 15/06	1000						
Whitney, W. P	Milton	" 15/06	1	100	" 22/06	100						
Wilson, Isabella	Edinburgh, Scot	" 15/06	2	200	June 6/06	80						
Wilson, Hugh E	Keyser	" 28/06	5	500	" 6/06	500						
Walker, W. D	Milton	June 16/06	1	100	July 4/06	10		90				
Wilson, W. G	Ashgrove	" 29/06	5	500	" 4/06	500						
Wait, Christina	St. George	July 23/06	10	1000	" 31/06	1000						
Wharton, Mrs. E	Teeswater	" 20/06	3	300	" 31/06						3-Mar. 18/08	
Watson, John	Acton West	" 30/06	5	500	Aug. 13/06	50		450				
Weir, A	Masonville	Aug. 2/06	2	200	" 13/06	20						
Watkins, Jas	Pt. Talbot	" 2/06	1	100	" 13/06	100						
Witham, S. F	Brantford	" 9/06	20	2000	" 13/06			2000		200		
Wood, W. S	Palermo	" 23/06	1	100	Sept. 5/06	100						
Wilkinson, Geo. H	"	" 23/06	1	100	" 5/06			100		50		
Wettlaufer, J. B. R	"	" 27/06	2	200	" 5/06	20		180				
Walker, P. M	Milton	June 16/06	1	100	Oct. 8/06							
Weir, Eliz. A	Kelso	Sept. 28/06	5	500	" 8/06			500		500	3-Dec. 18/07	
Wood, W. R	Toronto	Oct. 22/06	1	100	Nov. 24/06	10						
Wilson, Maggie E	"	Nov. 22/06	5	500	" 24/06	500						
			5792	579,20		$167,695	$25,915	$198,210	$21,705	$75,995	1434 Shares	219 Shares

SUMMARY

Cash Payment on account of Capital Stock			$167,695.00
Net		$167,436.71	
Discount		258.29	
Paid on account of Notes in Cash			21,705.00
Paid on account of Notes by transfer of Securities			675.00
Paid on account of Capital Stock by transfer of Securities		25,915.00	
Less given on a/c of Notes		675.00	
			25,240.00
Trusts & Guarantee Co. Loan Spread			75,995.00
Notes given on account of Stock			$291,310.00
Less Payments in cash	$21,705.00	198,210.00	
" " securities	675.00		
		22,380.00	
Balance			$175,830.00
Shares Cancelled	1,434.00		
Laidlaw Clients	219	(199 included with Cancelled Shares)	
Repurchased by Travers with Bank Funds	81		

THE FARMERS BANK OF CANADA

Canadian Prosperity.

Canada is fast justifying its title of the "Granary of the Empire"; and the enormous immigration, the consequent rapid opening up of its rich agricultural lands, the wonderful crops of grain produced, and the building of railways to move these crops, all mean the circulation of a large amount of money.

The Farmer is the backbone of Canada and produces its wealth; and as most of the Shareholders of The Farmers Bank of Canada are farmers, the methods adopted are such as appeal to them, while at the same time these economical and careful methods will also result in larger profits for the Shareholders.

EXHIBIT 95.

Prospectus used in England re Farmers Bank stock and pamphlet attached:

THE GENERAL DEVELOPMENT CORPORATION OF CANADA, LIMITED

Registered Offices.

17, VICTORIA STREET, LONDON, S.W.
3 BEAVER HALL SQUARE, MONTREAL, CANADA.

Directors.

The Right Hon. VISCOUNT TEMPLETOWN, *President.*
Castle Upton, Co. Antrim, Ireland.

W. GRANT MORDEN, Esq., *Vice-President.*
St. James's Court, Buckingham Gate, London, S.W.

Col. SIR CHARLES B. EUAN-SMITH, K.C.B., C.S.I.,
51, South Street, Park Lane, London, W.

SIR DOUGLAS FOX, J.P.,
28, Victoria Street, London, S.W.

HENRY HIGGINS, Esq.,
3, Oakwood Court, London, W.

Solicitors.

GEORGE D. PERKS, Esq., Hamilton House, Victoria Embankment, London, E.C.
Messrs. BARNARD & DESSAULLES, 180, St. James Street, Montreal, Canada.

Auditors.

Messrs. ANNAN, DEXTER & CO., Ironmonger Lane, London, E.C.

Bankers.

Messrs. BARCLAY & CO., LIMITED, 1, Pall Mall East, London, S.W.

Secretaries.

DUNCAN G. MONTEITH, 17, Victoria Street, London, S.W.
C. A. SARA, 3, Beaver Hall Square, Montreal, Canada.

EXHIBIT 96.

Statement of affairs of Farmers Bank as of November 28th, 1912.

TORONTO, November 28th, 1912.

IN THE MATTER OF THE FARMERS BANK OF CANADA.

STATEMENT OF AFFAIRS AS OF NOVEMBER 28TH, 1912.

LIABILITIES:

Shareholders			
Capital paid in	$532,599.00		
Premiums paid on Capital Stock	13,555.00	$546,154.00	
Prior Lien Claims			
Reserve to cover deposits made after suspension		1,500.00	
Rent and Taxes Payable		4,778.00	
Circulation outstanding with accrued interest		340,375.00	
Deposits by Provincial Governments		26,533.00	
Deposits and Obligations			
Savings Deposits	$989,300.00		
Current Account deposits	145,714.00		
Drafts and Bills of Exchange outstanding	36,044.00	1,171,058.00	
Other Liabilities			
Sundry claims and accounts		21,414.00	$2,111,812.00

ASSETS:

Deposit with Receiver General to secure circulation	$21,687.00	
Cash in Banks, and on Hand	462.00	
Overdue loans valuation	132,400.00	
Bank premises "	3,500.00	
Real Estate, other than Bank Premises	9,000.00	
Mortgages upon Real Estate sold	19,500.00	
Sundry other assets	37,200.00	
Total		213,749.00
Dificiency		$1,898,073.00

Increase of deficiency over that shewn at time of suspension, $1,806,437, arises from interest upon circulation paid and accrued to amount of $31,724, disbursements in protection of Keeley Mine and other assets, and costs and expenditures paid in respect of liquidation. The costs of liquidation have been heavy owing to the fact that in respect to most of the assets of the Bank litigation is unavoidable if collection is to be enforced.

G. T. CLARKSON,

Liquidator.